

BSA LIMITED ABN 50 088 412 78

Modern Slavery Statement – FY22

[Explanatory note: The following are the 7 mandatory criteria on which BSA must report. They are annotated alongside sections below.

1. *identify the reporting entity*
2. *describe the reporting entity's structure, operations and supply chains*
3. *describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls*
4. *describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes*
5. *describe how the reporting entity assesses the effectiveness of these actions*
6. *describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement), and*
7. *provide any other relevant information.]*

SUBSTANTIVELY

(1) This third Modern Slavery Statement ("3MSS" or "Statement") is filed by BSA Limited ACN 088 412 748 ("BSA") for itself and its Subsidiaries (defined below) in compliance with its obligations under the Modern Slavery Act 2018 (Cwlth) ("the Act") and covers the period ending 30 June 2022. It develops slightly on the views explained in BSA's second Modern Slavery Statement ("2MSS") filed with Australian Border Force on 21 December 2021.

This Statement was approved under section 14(2)(d)(ii) of the Act by the board of BSA Limited on 21 December 2022 and the Interim Chief Executive Officer ("CEO"), Arno Becker, was authorised to sign it and file it with Australian Border Force.

OUR STRUCTURE AND OPERATIONS

(2) BSA remains a technical services contracting company listed on the Australian Securities Exchange ("ASX") with the ticker code "BSA". As at 30 June 2022, it was the ultimate holding company of the group of wholly-owned and controlled companies shown in Annexures 1 and listed in Annexure 2 ("the Subsidiaries").

(6) The directors of each Subsidiary are as set out in Annexure 2, and the CEO is a director of each Subsidiary. The Secretary of each Subsidiary is also the Secretary of BSA.

The CEO attends all Board meetings of BSA Limited and consultation between the directors of BSA Limited and the CEO (on behalf of the Subsidiaries) can thus occur at those Board meetings. This Statement has been considered by the Boards of each Subsidiary who were consulted as to its contents. The Boards of all Subsidiaries approved the Statement during 19 & 20 December 2022. The CEO ensures that instructions by the Board of BSA are implemented by BSA's management within the operations of the Subsidiaries as part of the divisional structure outlined below. As at

30 November 2022 BSA engaged 810 employees split between its CUI (238) and APS (541) divisions (described below), and Corporate function (58).

(2) BSA still comprises two divisions, APS and CUI. These are:

1 “Advanced Property Solutions” (“APS”): a national business, providing innovative and solution-driven building services to all sectors of the construction industry. Effectively, APS provides the design, installation, maintenance, and optimisation of building services for all hard assets in commercial and industrial buildings and properties, including: Fire Detection and Suppression, Mechanical Services, Heating, Ventilation, Air Conditioning, Refrigeration, Electrical, and Building Management Systems (BMS). (On 23 November 2022 BSA announced that it had signed a conditional agreement to sell its APS Maintain business to CBRE Group Inc with completion of the sale expected by 28 February 2023); and

2 “Communications and Utility Infrastructure” (“CUI”): providing - on a national basis – strategic advice, design, implementation, operations and maintenance services, specialising in telecommunications networks and technologies. CUI provides services to the telecommunications, subscription television and utility industries. These services include the delivery of bundled services over fixed line multi-technology networks, the installation of subscription television and the installation of smart meters.

(3) **THE RISK OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS**

In its assessment of modern slavery risks as at 30 June 2022, BSA has retained its consistent approach to assessing and managing risk across its business. While BSA has taken steps since the filing of 2MSS to seek to assess and mitigate its modern slavery risk and believes the risk has lessened slightly, BSA remains relatively immature with regard to that mitigation. Given the adverse effects of Covid-19 on its business, BSA reported a loss for the financial year FY22. Efforts to improve BSA's financial position during the year led to a concentration on cost reduction and increased efficiency, and this necessarily resulted in the trimming of management staff and an increased workload for all who remained.

During FY22, therefore, BSA experienced a period of consolidation: the nature of its business did not change dramatically during the year and it had (and continues to have) limited resources to invest, including in sophisticated measures to identify and combat modern slavery. Accordingly, BSA has worked with other stakeholders (including subcontractors and suppliers) to maximise positive change.

BSA remains a contracting business supplying services to its customers and incorporating goods and services from other suppliers, both locally and internationally. BSA has enjoyed a long relationship with many of these, but understands that there is still a risk that – despite our mitigating activities (see below) - our operations may be supported by supply chains which include labour provided by those who have been coerced, exploited or otherwise deprived of their basic freedoms.

BSA remains an Australian business with operations confined to Australia. All immediate suppliers with whom BSA trades are based in Australia or have registered

Australian subsidiary businesses. The logic of this approach described in 1MSS (being the Modern Slavery Statement for FY20, filed on 31 March 2021) and 2MSS remains: BSA leverages Australia trading and employment laws to ensure modern slavery practices are minimised in our immediate supply chains.

Our immediate suppliers can still be defined by 3 categories:

- i) Direct Goods: Direct Suppliers of products that are used to complete BSA's contracted work. These include cables, tools, electrical consumables, refrigeration equipment, pipes, fire sensors, safety equipment etc. BSA still receives "free-issue" goods from some customers which it subsequently uses to provide the services. BSA has no control over how those goods are procured, or any other element of that supply chain. Accordingly, we have excluded those free-issue goods from our analysis. In support of that decision we recognise that those customers providing free-issue goods:
 - i. have large revenues; and
 - ii. will themselves have discharged their own modern slavery obligations.

Consequently, we continue to consider the risk of modern slavery with regard to free-issue goods as low.

- ii) Indirect Goods and Services: Indirect suppliers of products and services that support BSA's contracted work indirectly. These include telecommunication providers, IT and office equipment, safety training services etc. and those who assist in the management and support of BSA offices and facilities.
- iii) Direct Labour Hire: Subcontractors who provide services to fulfil BSA's contractual obligations for contracted work. These include sole traders, third party labour hire companies, and Australian businesses employing a skilled workforce with relevant industry expertise.

We expand on these three categories as follows:

Direct Goods:

These include cables, tools, electrical consumables, refrigeration equipment, pipes, fire sensors, safety equipment etc. and are procured directly from suppliers by BSA to complete contracted work. They may be manufactured in Australia and obtained directly from these manufacturers, or may be procured indirectly from other manufacturers through our immediate suppliers. BSA recognises that there is increased risk of human rights abuses where BSA does not have a clear line of sight over who is manufacturing the end product. (For example: BSA has identified that a significant portion of its consumables are manufactured in South East Asia and present a risk of modern slavery.)

Indirect Goods and Services:

BSA still procures some indirect goods and services, largely through large, well-governed and publicly-listed companies which are (because of their turnovers) themselves subject to anti-modern slavery legislation, declarations and practices. Examples include those who provide BSA with telecommunication services, IT and

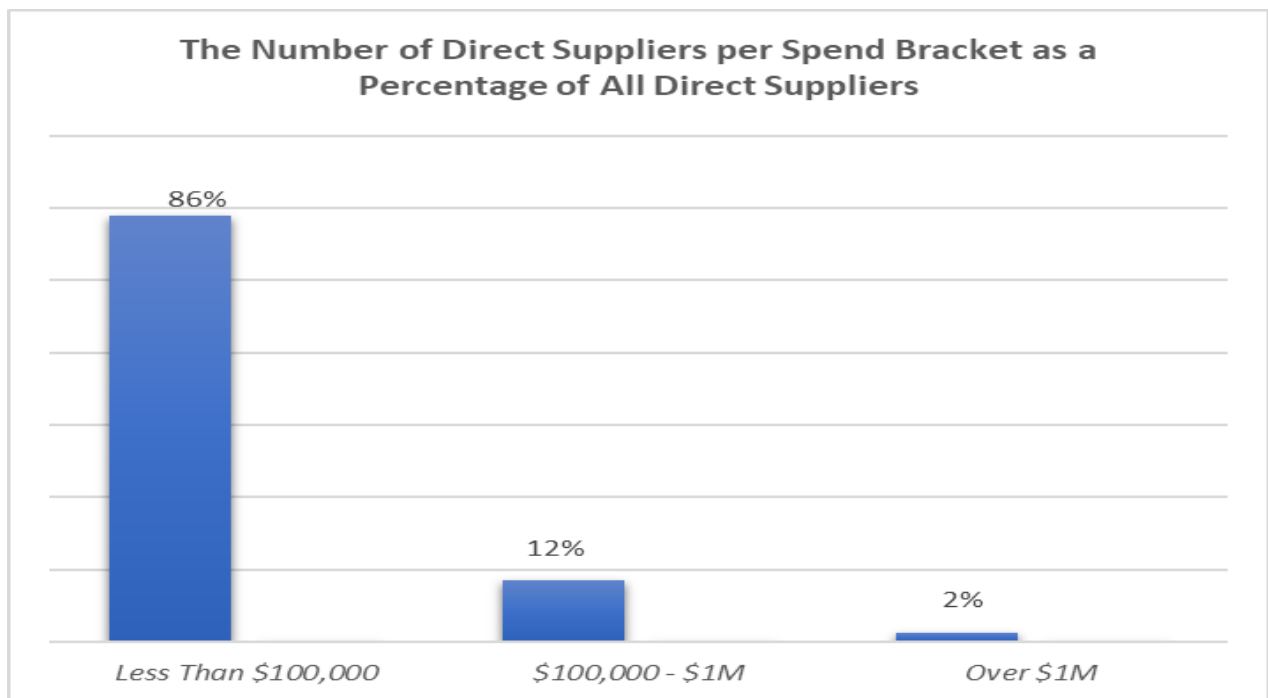
office equipment, safety training services etc. BSA has reviewed a number of their anti-slavery statements and those reviewed indicate compliance with the law. Additionally, they appear well-equipped to mitigate those risks in their own business practices and supply chains.

Direct Labour Hire:

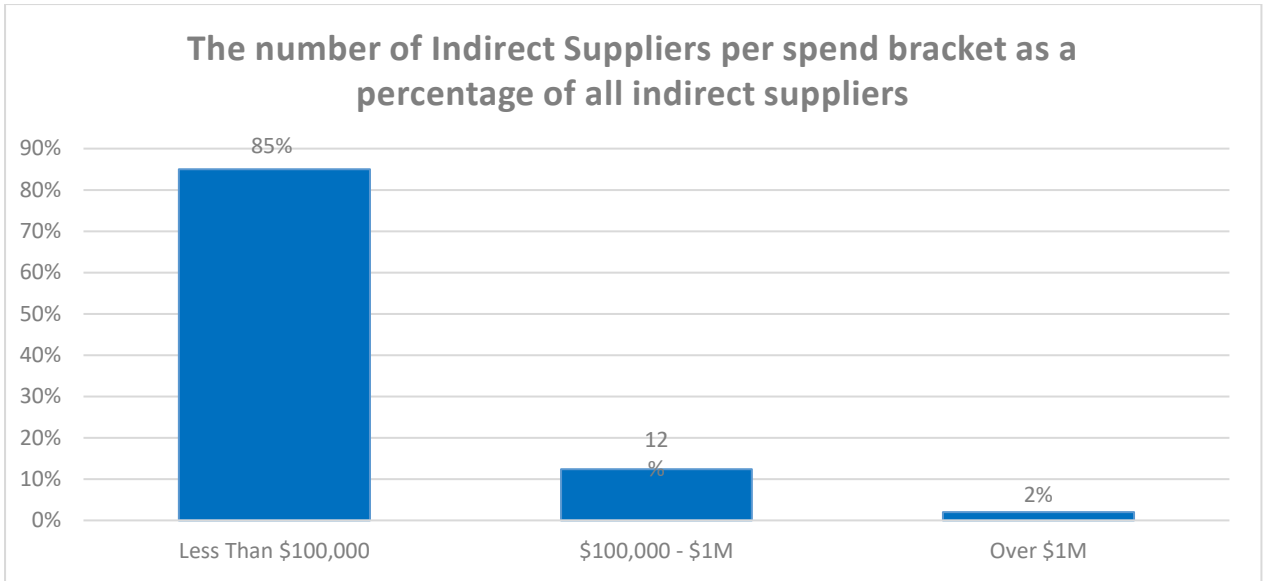
Although BSA has a large sub-contract labour force, we do not believe that the suppliers we contract with directly ("Primes") present a significant risk of "modern slavery". An audit within part of the CUI business was conducted during FY22 which is described more below, but we will continue to interrogate our assumptions and we accept that we need to check continually that the supply chains of those subcontractors and suppliers do not themselves include modern slavery suppliers.

(4) OUR ASSESSMENT OF THE RISKS

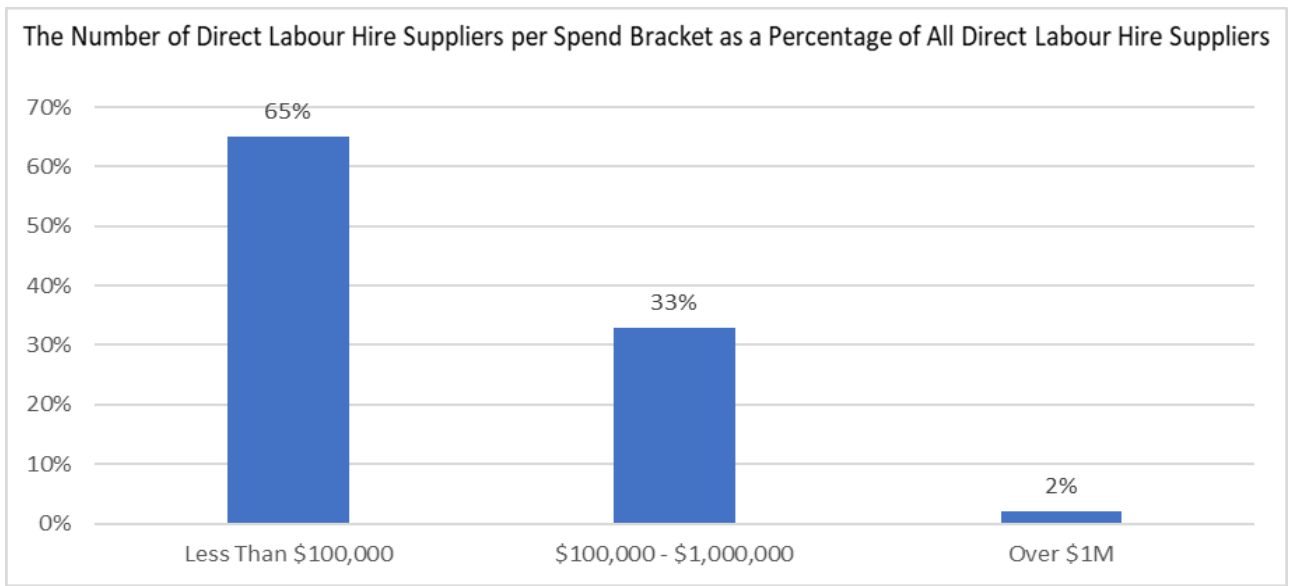
As at 30 June 2022, BSA's financial records (in its Pronto database) indicate that – although there has been a reduction of about 10% from 2MSS - it still uses more than 3000 "live" suppliers and subcontractors. These have been re-analysed and, again, prioritised by spend characteristics. Graphs 1, 2 and 3 show the distribution of the spend per supplier against the number of all such suppliers for that type of supply i.e. Direct Goods, Indirect Goods & Services or Direct Labour Hire.



Graph 1 Direct Goods



Graph 2 Indirect Goods & Services



Graph 3 Direct Labour Hire

In considering suppliers of Direct Goods (Graph 1), there remains a very large number of suppliers supplying goods worth less than \$100,000 per year. (The percentage has decreased slightly from 88% (2MSS) to 86% in 3MSS.) Consequently, as at 30 June 2022 and indeed currently, there remains the risk that group includes unsophisticated suppliers sourcing goods from within supply chains with significant modern slavery risk, although – for BSA – this risk has decreased very slightly with the downward shift in the proportion of this size of supplier. This risk also applies for those providers supplying between \$100,000 and \$1 million per year, although there has been a slight increase in these (and very large suppliers) which endorses BSA's continuing procurement strategy to consolidate its supply chain. Successful implementation of that strategy

should allow BSA to concentrate its future analysis on larger suppliers and that concentration of effort is likely to be more productive in eliminating modern slavery.

BSA's suppliers providing indirect goods and services (Graph 2) tend to be larger suppliers subject to the "modern slavery" reporting regime. Their own work in assessing and mitigating the modern slavery risk likely results in a lower risk to BSA since these suppliers are unlikely to tolerate modern slavery in their own supply chains. Consequently, BSA has not focussed on these. BSA intends to re-assess those suppliers when renewing or re-tendering their supply contracts.

BSA's Direct Labour Hire suppliers (Graph 3) receiving less than \$100,000 are likely to be unincorporated sole traders or those traders who have incorporated, but remain very small labour providers. BSA has determined these are unlikely to employ others: the risk they do not pay their staff the statutorily required wage is assessed as low. They likely have no staff at all.

The composition of the Direct Labour suppliers has – again - shifted markedly during FY22(see table below) with more labour being provided to BSA by proportionately more, larger subcontractors (with revenues greater than \$100,000). While the reduction in the use of very small subcontractors (i.e. those receiving less than \$100,000) might be seen as problematic, BSA tends to the view (supported by the results of its audit of nbn subcontractors (see below)) that subcontract technicians are receiving greater revenues and that this tends to suggest that the risk of modern slavery in the labour supply element of BSA's supply chain should be reducing.

	Less than \$100k	\$100k - \$1M	Over \$1M
1MSS	69%	29%	2%
2MSS	76%	23%	1%
3MSS	65%	33%	2%

Direct Labour Hire: the proportion of supplier spend bracket compared

BSA remains of the opinion that it should concentrate its attention on:

- 1 Direct Goods suppliers receiving more than \$100k in revenue from BSA; and
- 2 Direct Labour Hire suppliers receiving more than \$100k

because

- 1 Direct Labour: Labour hire and subcontracting may include unfair conditions for workers. Migrant workers and sole traders are often at risk of exploitation. BSA has sought (and will seek) assurances from its labour providers as to their processes for the protection of their workers; and
- 2 Direct Goods: these suppliers remain subject to considerable pricing and margin pressures. Consequently, they may source goods from overseas manufacturers in low labour cost jurisdictions. BSA expects these jurisdictions are those most likely to encourage indentured or child labour.

Of the two types of suppliers, BSA continues to assess the risk of modern slavery among its direct labour suppliers as being lower. Labour subcontractors are relatively

numerous and form an essential part of BSA's operating model. BSA retains its experienced and proficient "compliance team", who assess all such would-be subcontractors before they are "on-boarded", including for their modern slavery compliance.

Many subcontractors have provided services to BSA for many years (including in BSA's Fire Build and Infrastructure teams and as part of CUI's service provision to its telecommunications clients). Those subcontractors retain autonomy in the running of their businesses, but BSA is very familiar with their business models, service delivery and personnel. BSA's strong safety focus requires a relatively large H&S team who constantly conduct safety audits at work sites. Those audits require regular interaction with subcontract staff, and that interaction facilitates early identification by BSA of any improper engagement of subcontract workers.

The position with regard to BSA's Direct Goods suppliers is different. Many of the smaller suppliers retain commercially-confidential supply chains, so as to protect

- (i) them against disintermediation, and
- (ii) their margins in the face of stiff competition.

That opacity makes it difficult for BSA to assess the risk of modern slavery in these suppliers' supply chains. Steps taken by BSA to mitigate this risk are described in the next section.

(4) WHAT MITIGATIONS HAVE WE TAKEN?

BSA retains its multi-channel approach to tackling the risk of modern slavery in its supply chain:

- 1 BSA's People team has instigated a regime of 'refresher training' for BSA's employees every 2 years, during their continued employment. Those employees who thus undertook initial training in October/November 2023 will be expected to undergo that refresher training by November 2023.
- 2 The same on-line Modern Slavery training is mandatory as part of their induction for all new employees who onboard as recruits, and compliance with this requirement is monitored and tracked by the recruiting business units. CUI subcontract technicians are expected to undertake the same on-line training while modern slavery training is undertaken at early-morning 'toolbox' training sessions across the APS business.
- 3 All subcontractors are engaged under written contracts including specific contractual promises by the subcontractor to comply with the law as to modern slavery and to take steps to eliminate it.
- 4 The CUI business engages some labour using labour hire companies. No such labour hire company is considered compliant or on-boarded to supply BSA with labour unless - as part of the compliance process - its management have completed the online Modern Slavery Training.

- 5 BSA's full-time Procurement professional supervises the assessment of "modern slavery risk" as part of BSA's "due diligence" approach before the engagement of all new suppliers.
- 6 During FY21, BSA conducted an on-line desktop survey (created by "Safe-Trac" – the provider of BSA's on-line training package) of a sample of 158 of its suppliers to enable BSA to assess and manage risks of modern slavery. The response (28% of respondents) was poor. Consequently, during FY22, BSA re-invigorated this survey. Those who had not responded (72%) were re-contacted and questioned with the following outcomes:
- 8% were no longer engaged by BSA at all
 - 18% referred BSA to their own website and/or Modern Slavery Statement. After checking, BSA's Modern Slavery Team deemed their response satisfactory
 - 26% were deemed – given the nature of their goods and service and/or their location - highly unlikely to have modern slavery risk in their supply chains; but
 - 20% were deemed to require further exploration and consultation as to their work practices.
- 7 As a separate exercise (and limited to BSA's NBN platform), BSA also conducted an audit (using the external auditor, Safetrac) of those of its NBN Direct Labour subcontractors with more than one employee. (There were 100 such employers providing BSA with 551 technicians.) Questionnaires were issued to those subcontractors, checking on their compliance with their contractual obligations (owed to BSA) as to Corporate Social Responsibility and Integrity and Governance. These contractual obligations include to allow employees freedom of movement, and that those employees were not subjected to any restrictions equivalent to modern slavery. 40% of subcontractors audited then responded satisfactorily, and the remainder will be questioned (starting in January 2023) by BSA's Director of Customer Experience as to their lack of response and any non-compliance.

(5) ARE THEY EFFECTIVE?

Negative feedback on BSA's online training has not been received and since the initial response (when BSA rolled out that training) was over-whelmingly positive, BSA remains convinced that the training is effective and of real value in raising the workforce's awareness of the prevalence of modern slavery, and the risks it presents to companies like BSA .

Similarly the outcomes of the repeated desktop survey undertaken by BSA are encouraging, particularly where suppliers have now implemented (and documented) their own modern slavery mitigation strategies. BSA accepts, however, that – subject to the resourcing constraints identified above – it must not become complacent.

As at the date of this 3MSS, BSA still has not received – whether through its management chain or through its ‘whistleblower hotline’ - any complaint (raised by an employee of BSA or the staff of a supplier or subcontractor) raising concerns about their employer and the complainant's working conditions.

Ancillary to (and in support of) that contention, BSA was assessed during FY22 by the external Ecovadis organisation and assessed as “Silver “ status. The Ecovadis survey included its “Labour and Human Rights” section with 40 assessment criteria (including as to BSA's Human Rights Policy and its specific training on child labour, forced labour and human trafficking; and its general awareness training), with BSA being assessed as “strong” against 33 of those criteria.

(7) WHAT WILL WE DO NEXT?

BSA will continue to develop its strategy to improve the BSA supply chain as a whole; including by:

- a. Assessing all new suppliers before on-boarding them;
- b. Re-assessing existing suppliers regularly on a desk-top basis; and
- c. Auditing in a focussed way those assessed as unsatisfactory.

Further, the ‘refresher training’ described above for all BSA directors, managers and employees needs to be prepared and disseminated and in such a fashion as to continually raise awareness and to foster a culture of vigilance against the risks of modern slavery.

It is likely that a successful completion of the sale of APS Maintain (described above) will enable a more targeted approach to be implemented since the number of BSA's suppliers will necessarily shrink, giving BSA a simplified and stream-lined supply chain. On that basis, it is likely BSA will again use Safe-Trac (or a similar external expert) to audit suppliers with a greater focus on the business units that remain including the BSA Fire Build business which is known to include overseas suppliers of pipe and fittings in its supply chain.

The day to day vigilant monitoring of the working conditions and welfare of BSA workers on site by BSA's supervisors and work, health and safety team will be maintained.

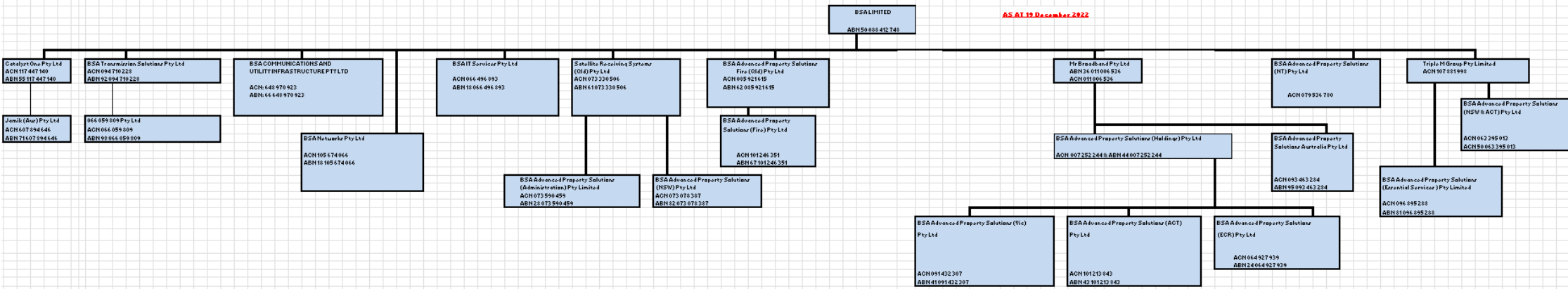


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23 December 2022

Arno Becker
Interim Chief Executive Officer
for BSA Limited

ANNEXURE 1



ANNEXURE 2: BSA subsidiaries and directors

BSA Subsidiary	ACN	Directors
Catalyst One Pty Ltd	117 447 140	Arno Becker, Anthony Osment, Frank Vaccher
Jamik (Aus) Pty Ltd	607 894 646	Arno Becker, Anthony Osment
BSA Transmission Solutions Pty Ltd	094 710 228	Arno Becker
066 059 809 Pty Ltd	066 059 809	Arno Becker
BSA Advanced Property Solutions (NT) Pty Ltd	079 536 780	Arno Becker, Mark Dunn
BSA IT Services Pty Limited	066 496 893	Arno Becker
BSA Advanced Property Solutions Fire (Qld) Pty Ltd	085 921 615	Arno Becker, Mark Dunn
Mr Broadband Pty Ltd	011 006 536	Arno Becker
BSA Advanced Property Solutions (Holdings) Pty Ltd	007 252 244	Arno Becker, Mark Dunn
BSA Advanced Property Solutions (Vic) Pty Ltd	091 432 307	Arno Becker, Peter Schmiedel, Mark Dunn
BSA Advanced Property Solutions (NSW) Pty Ltd	073 078 387	Arno Becker, Mark Dunn
BSA Advanced Property Solutions (ACT) Pty Ltd	101 213 843	Arno Becker, Mark Dunn
BSA Advanced Property Solutions (ECR) Pty Ltd	064 927 939	Arno Becker, Mark Dunn
Satellite Receiving Systems (Qld) Pty Ltd	073 330 506	Arno Becker
BSA Networks Pty Ltd	105 674 066	Arno Becker
BSA Communications and Utility Infrastructure Pty Ltd	648 970 923	Arno Becker, Peter Schmiedel
BSA Advanced Property Solutions Australia Pty Ltd	093 463 284	Arno Becker, Mark Dunn
Triple M Group Pty Limited	107 881 998	Arno Becker
BSA Advanced Property Solutions (NSW & ACT) Pty Ltd	063 395 013	Arno Becker, Mark Dunn
BSA Advanced Property Solutions (Administration) Pty Ltd	073 590 459	Arno Becker, Mark Dunn
BSA Advanced Property Solutions (Essential Solutions) Pty Ltd	096 895 288	Arno Becker, Mark Dunn
BSA Advanced Property Solutions (Fire) Pty Ltd	101 246 351	Arno Becker, Mark Dunn