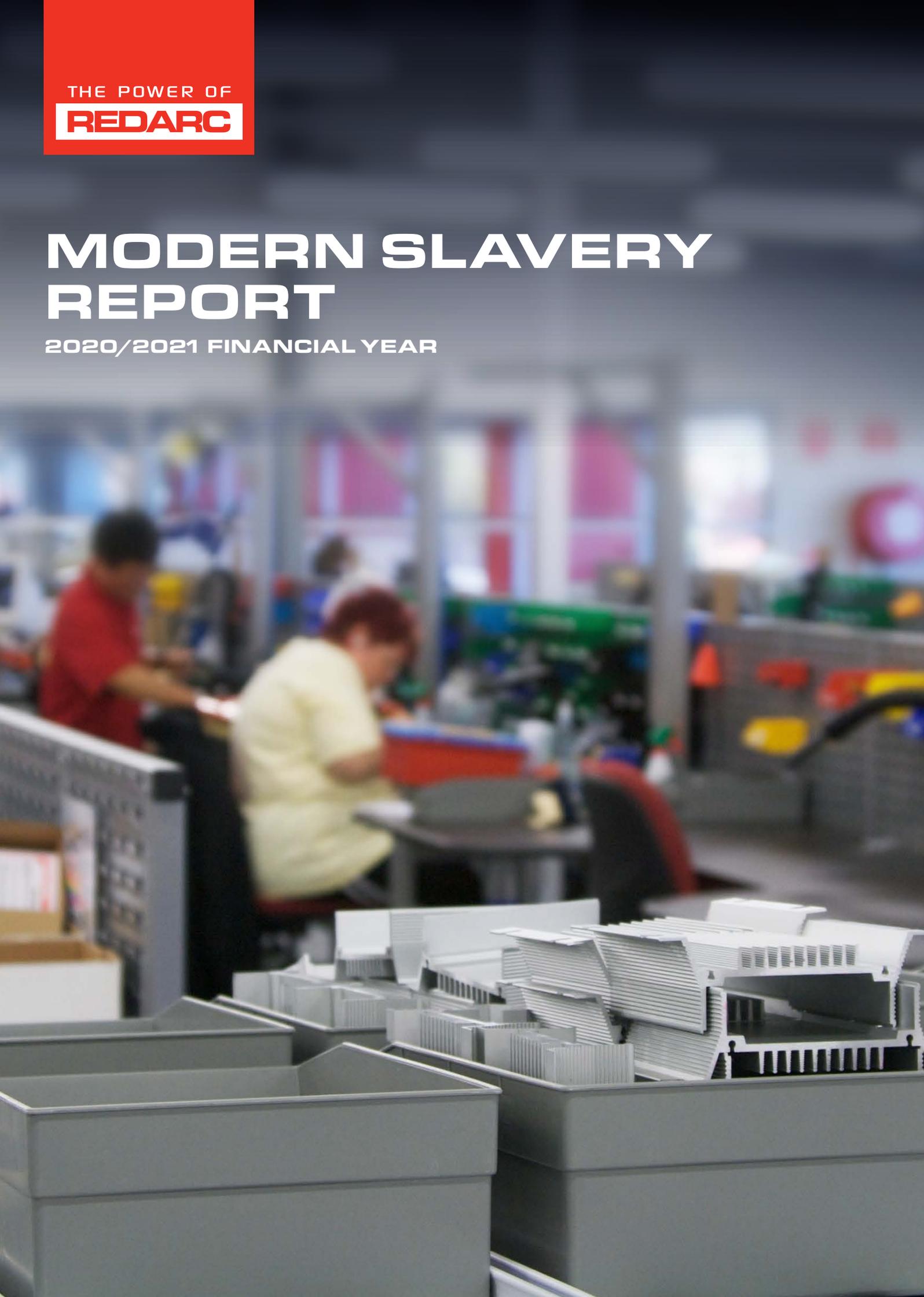


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**REDARC**

# MODERN SLAVERY REPORT

2020/2021 FINANCIAL YEAR



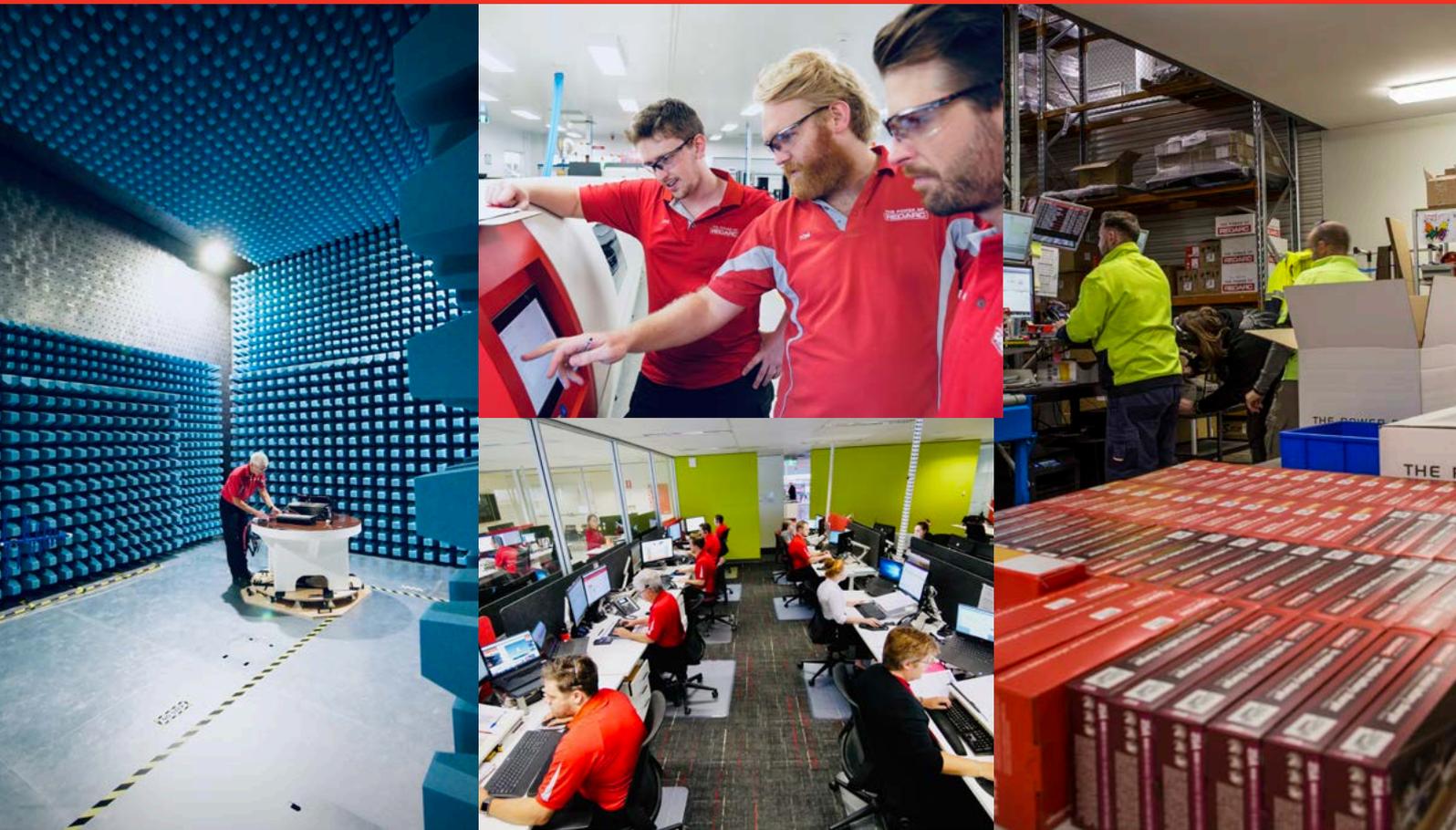




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# 1 ENTITY OVERVIEW



REDARC Trust ('REDARC' or 'REDARC Electronics') is a privately owned business specialising in the research, design, development and manufacture of a range of electronic voltage converters and associated products including inverters, power supplies, battery chargers, brake controllers and trailer braking products.

Founded in 1979, REDARC has over 40 years of experience in the electronics industry. Today REDARC Electronics operates in a state-of-the-art advanced manufacturing facility, employing approximately 300 people in Australia.

The head office and manufacturing facility are based in Lonsdale, South Australia with offices in Victoria and New South Wales. REDARC has further staff operating nationally across Australia.

This statement covers REDARC Electronics Pty Ltd as trustee for REDARC Trust ABN 77 136 785 092, a discretionary trust trading as REDARC Electronics. REDARC Electronics does not control any other entities. The statement is made under the Australian Modern Slavery Act 2018 (Cth) for Financial Year 2020-2021. This statement was approved by Anthony Kittel as the sole director and principal governing body of REDARC Electronics Pty Ltd as trustee for REDARC Trust on the 20th of December 2021.

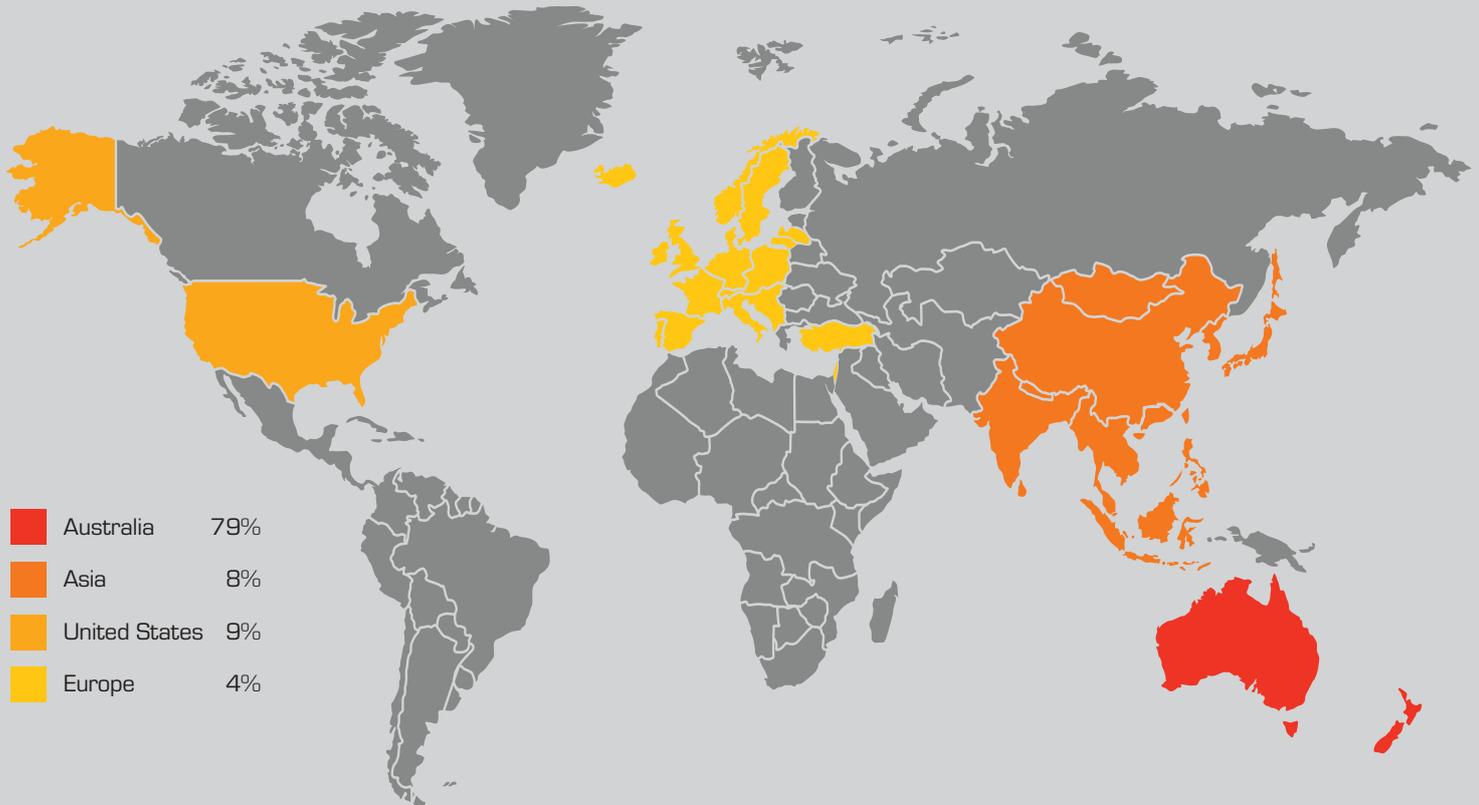
**Anthony Kittel**  
Managing Director and  
Chief Executive Officer

20th December 2021

- ADVANCED ELECTRONICS MANUFACTURER
- STATE-OF-THE-ART TESTING FACILITIES
- 300 STAFF BASED NATIONALLY AND INTERNATIONALLY
- SEVENTY ENGINEERS AND TECHNICIANS
- THREE NATIONAL LOCATIONS
- VAST RANGE OF AUSTRALIAN MADE PRODUCTS
- UP TO 15% REVENUE RE-INVESTED IN R&D
- EXPORTS GLOBALLY

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## 2 REDARC'S OPERATIONS AND SUPPLY CHAINS



REDARC's core competency is the design, development and precision manufacture of advanced electronic products for mobile power, safety and defence applications. REDARC's head office and advanced manufacturing plant based in Lonsdale South Australia has become international benchmark in complex transformation of electronics. Over the last 20 years REDARC has invested in advanced machinery, production techniques and people to enable it to be globally competitive. The advanced manufacturing facility at Lonsdale is a competitive advantage for REDARC allowing us to design, build and test products close to our customers and markets.

In order to develop and manufacture class leading, highly reliable products for our customers and markets, REDARC sources materials and services from many countries around the world. The global nature of electronics means that parts are sourced from large specialised multinational corporations (MNC) who operate in different geographies according to regional specialisations. REDARC will often engage these MNC via global distribution partners that specialise in agglomerating customers demand and providing logistics solutions for the manufacturers. REDARC will place emphasis on supply from leading Australian manufacturers and will also deal directly with suppliers overseas when necessary.

REDARC purchases a wide range of products that we use in the manufacture of our equipment or as buy in products that supplement the customer offering. In 2021 our suppliers were based in the following regions of the world:

- 79% of our suppliers were based in Australia and New Zealand
- 8% is in Asia
- 9% is in US
- 4% is in Europe

REDARC chooses to work with innovative, responsible suppliers who meet REDARC's stringent quality specifications. REDARC looks to develop ongoing trusting relationships with suppliers who incorporate and demonstrate our core values.

REDARC regularly meets with our suppliers and conducts face to face audits as part of our supplier onboarding process.

COVID-19 has impacted our ability to travel to suppliers so we are developing relationships with trusted specialists in high risk regions to assist with our supplier monitoring.

### 3 MODERN SLAVERY RISKS IN REDARC'S OPERATIONS AND SUPPLY CHAINS



REDARC has evaluated both its internal operations and the global supply chain to assess the likelihood of Modern Slavery risks.

A risk assessment has been conducted to scope the potential Modern Slavery within the business and extended supply chains.

Using the Modern Slavery guidelines three distinct risk areas were observed for REDARC. These risks are broken down into categories and summarised in the table shown opposite.

#### 1 SECTOR AND INDUSTRY RISKS

REDARC has identified a key risk of operating in the electronics industry, which has been identified as high risk in the Modern Slavery guidelines.

#### 2 PRODUCT AND SERVICES RISKS

REDARC has identified several risks in the products and services it procures. As REDARC is a high tech design, manufacturing and engineering company it relies on many thousands of purchases of electronic components. The geographic spread of electronic components and other factors have flagged them as a high-risk products to be purchased.

REDARC purchases from solar equipment manufacturers which in some regions have been deemed high risk for Modern Slavery. REDARC has taken steps to ensure that its solar products do not contain any inputs that are manufactured from the regions that are suspected of supporting Modern Slavery.

REDARC supply staff uniforms to all our team members and although REDARC is not involved in the manufacturing process of uniforms there is potential for Modern Slavery risk due to the textile industry being identified as high risk.

REDARC utilises various subcontractors to complete functions of the business and to enhance our product offering. The potential for Modern Slavery risks occurs due their geographic locations and REDARC not having full oversight of their supply chains.

#### 3 GEOGRAPHIC RISKS

Due to industry specialisation REDARC procures supplies from countries that have been deemed higher risk for Modern Slavery.



**SECTOR AND  
INDUSTRY RISKS**

**Electronics Industry** - REDARC operates in the electronics industry which has been identified as high risk.

**PRODUCT AND  
SERVICES RISKS**

**Electronic Components** - REDARC purchases large quantities of electronic components which are proven to be high risk.

**GEOGRAPHIC  
RISKS**

REDARC procures supplies from countries that have been deemed higher risk for Modern Slavery.

**Staff Uniforms** – although REDARC is not directly involved in the uniform manufacturing, the textile industry has been identified as high risk.

Raw materials in electronics being sourced from high-risk countries.

**Solar Products** – Modern Slavery risk has been reported in some regions of the world specific to these products.

# 4 REDARC'S MODERN SLAVERY RISK MANAGEMENT

## OUR VALUES



### INNOVATION

We will encourage the personal development of all REDARC team members to ensure we nurture our innovative company culture.



### CUSTOMER SATISFACTION

To be recognised as the best in our market we will deliver the highest quality products supported by exceptional after sales service.



### TEAMWORK

Through excellence in cross-functional integration, we will guarantee high quality products delivered in a timely manner.



### INTEGRITY

To enhance our current relationships with colleagues, customers, suppliers and the community and to forge strong relationships in the future, we will always act with the utmost integrity.



### QUALITY

We are committed to doing things right the first time as we see quality as key to delivering the customer value for money.  
We make quality the centrepiece in our work and interactions.



### ENVIRONMENTALLY AWARE

We are committed to going beyond compliance and being socially responsible. We will anticipate and address potential issues before they occur and operate in a manner to preserve the environment for future generations.

## RISK MANAGEMENT

REDARC is committed to ethical, sustainable procurement in its operations whilst reducing Modern Slavery risks in its supply chain. For many years REDARC has been able to report with its suppliers that it does not purchase products that contain materials that have been mined from regions affected by conflict minerals.

REDARC selects high quality products from many MNC who have stringent reporting requirements and processes to mitigate against Modern Slavery and resource exploitation; by selecting such suppliers REDARC is afforded some protection through association.

REDARC has a process for onsite audit in facilities and whilst these have been undertaken REDARC staff are assessing competency and shared values. We have transparent reporting lines enabling any concerns to be raised should the need arise.

REDARC's suppliers are expected to respect a certain code of conduct and behave in a way that is consistent with our values, as demonstrated above.

Beyond these expectations, we encourage all our suppliers to follow the guidelines of ISO26000 - Corporate Social Responsibility and ISO14001 - Environmental Management.

## TRAINING

To address Modern Slavery risks in our supply chain REDARC has trained key members of staff who may interact with suppliers.

Departments including Supply Chain, Engineering, Project Management, Quality, Marketing and Human Resources staff were trained to identify risks, how to manage them and who to report to. In the next financial year, we aim to build upon this training platform and expand this into other departments and new hires.

REDARC will also offer training to our local suppliers who are not yet involved in directly reporting on Modern Slavery.

## SUPPLIER ONBOARDING AND DUE DILIGENCE

REDARC is supported with policies and procedures that are promoted within the business. In the last year purchasing policies and procedures have been updated to include features of the Modern Slavery Act.

## REDARC MODERN SLAVERY RISK MANAGEMENT ACTION PLAN

FY20-21	FY21-22	FY22-23 AND BEYOND
Updated supplier questionnaire to address Modern Slavery risks in onboarding new suppliers.	Publish first publicly available Modern Slavery report.	Physically inspect and audit international high-risk suppliers for Modern Slavery risks every 12-18 months.
Trained staff and procurement teams on identifying, addressing and reporting Modern Slavery risks in the supply chain.	Map out tier 1 and 2 suppliers to address Modern Slavery risks deeper in the supply chain.	Build partnerships with NGOs, industry peers and relevant stakeholders to combat Modern Slavery.
Updated Purchase Order Terms, Master Supply Agreement and supplier guidebook to address Modern Slavery concerns.	Set up procedures to allow people in REDARC's supply chains to safely report Modern Slavery risks.	Develop Modern Slavery supplier engagement plan with strategic suppliers.
Attended Modern Slavery Training conducted by external parties.	Improve supplier awareness of Modern Slavery through training and support.	Arrange for strategic in country audits for Modern Slavery risk by REDARC staff or our approved supply auditors.
Participated in online Modern Slavery webinars presented by Chartered Institute of Procurement and Supply to seek best practise.	Enhance and update the Whistle Blower and reporting process for REDARC.	Create a Modern Slavery Operations management team to annually assess the risk and actions for REDARC.

REDARC has updated its supplier onboarding process to ensure suppliers are formerly screened for Modern Slavery risks in their supply chain prior to being approved as a supplier.

Our updated processes include:

- **Supplier Questionnaire** – REDARC's supplier questionnaire that screens for quality and supply chain risks has now been updated to question potential suppliers for Modern Slavery risks. The questionnaire seeks to understand their supply chain visibility, whether they have policies in place to deal with Modern Slavery and whether their staff have been trained to identify Modern Slavery risks.
- **Supplier Guidebook** - details a code of conduct that suppliers must adhere to, which now specifies due diligence in mitigating Modern Slavery risks.
- **Master Supply Contracts and Purchase Order Terms** – updated to ensure suppliers are acknowledging that all products and services provided to REDARC must be free from Modern Slavery and associated risks.

## REMEDIATION PROCESS

REDARC has grown over the years but has managed to maintain its integrity and values with each person that it has recruited.

As such reporting is transparent and the open door policy is lived by all staff. In 2022 we will develop our Whistle Blower policy and ensure that we have a more formal grievance process in place that supports Modern Slavery risk.

Whilst we do not currently have a Whistle Blower policy in place, we remain confident that our staff and suppliers will report immediately if Modern Slavery risks are witnessed.

## 5 ASSESSING THE EFFECTIVENESS OF REDARC'S RISK MANAGEMENT



REDARC has instigated several policies, procedures and actions to monitor Modern Slavery risks in our supply chain.

REDARC has dedicated members in our supply chain team focusing on addressing Modern Slavery reporting and assessing current and future risks.

REDARC team members have attended Modern Slavery training and attended online webinars to ensure that REDARC is up to date with this latest information and ways to engage with suppliers on addressing Modern Slavery risks.

Staff that attended the in-house training undertook a quiz to ensure that the training was effective. Annual training will now be developed for staff and new hires that are in contact with suppliers.

During 2022 REDARC will further develop our processes for identifying Modern Slavery risks and refine the assurance framework for assessing the effectiveness of our actions.



## REDARC MODERN SLAVERY ACTION ASSESSMENT

ACTION	INFORMATION
<b>Train staff on Modern Slavery risks</b>	In FY20-21, REDARC implemented training of key staff who were identified to engage with suppliers. Moving forward, REDARC will be conducting further training of staff to ensure Modern Slavery risks in the supply chain are being managed through various departments. REDARC utilises a training record to monitor which staff have completed training and when they are due for retraining.
<b>Supplier monitoring</b>	REDARC monitors all current suppliers to ensure that all relevant documentation is up to date.
<b>Internal audits</b>	REDARC conducts internal audits to ensure that all relevant staff are aware of Modern Slavery procedures and what to do in the event a risk is identified. These audits are monitored by REDARC's quality team to look for non-conformances and areas for improvement.
<b>International audits</b>	COVID-19 has had an effect on REDARC's ability to conduct audits of international suppliers. As travel restrictions ease, REDARC will be reinstating international audits to monitor key existing and potential new suppliers. In addition, we are seeking to engage in country agents that can assess on our behalf, should we be unable to travel.
<b>Monitoring industry trends</b>	REDARC will continue to engage in industry events including webinars and social engagements to ensure that company policies are at the forefront of combatting Modern Slavery risks.
<b>Updating procedures</b>	REDARC has updated documents that help to evaluate the risk in the supply chain and enforce reporting. Suppliers that have completed the data packs prior to our Modern Slavery updates will be sent the new requests for information in 2022.



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