

CRITERION 1 AND 2 – IDENTIFY REPORTING ENTITY, STRUCTURE, OPERATIONS AND SUPPLY CHAINS

REPORTING ENTITIES AND STRUCTURE

RARD No. 3 Pty Ltd A.C.N 618 271 542 (**RARD No. 3**) is an Australian family owned and operated business with its principal and head office in Yeerongpilly, Brisbane. RARD No.3 controls a group of companies involved in a broad range of business operations. The subsidiaries of RARD No. 3 include companies branded under the “Canstruct” and “MFIC” business names.

The reporting entities in the Group for the reporting period ending 30 June 2020 are Canstruct International Pty Ltd (**Canstruct**), and RARD No.3 as the parent entity (**Group**). The Group has 77 employees.

OPERATIONS

The activities undertaken by the Group include:

- Direct employment of workers;
- Provision and delivery of services necessary to the operation of remote workplaces, i.e., facilities management operations including cleaning, cooking and accommodation;
- Construction;
- Financial investments;
- Manage and operate joint ventures;
- Acquisition and leasing of property including retail shops, commercial and industrial facilities; and
- Charitable activities.

(“**Operations**”)

SUPPLY CHAINS

The Operations of the Group in the financial year ending June 2020 were conducted in Australia and the South West Pacific region.

In the reporting period, the Group had a supply chain made up of approximately 70 contracted suppliers, of which 85% were located in Australia and New Zealand and the remaining 15% were located in Nauru.

The Group’s suppliers vary from small Australian family operated businesses to large corporates. Products and services that we procure include, for example, construction materials, ICT products and office supplies.

The suppliers located in Nauru supplied products and services for the Group’s operations located in Nauru (including labour, construction materials, food products, consumables and equipment, laundry products, fuel, freight forwarders, aircraft charters, telecommunications and vehicles and parts).

CRITERION 3 - IDENTIFYING MODERN SLAVERY RISKS IN OUR SUPPLY CHAINS

INITIAL SCOPING EXERCISE

We have undertaken an initial scoping exercise to identify risks of modern slavery in the Group's operations and supply chains. This process involved:

- Review of entity risks and internal business operations and practices;
- Identification of all direct suppliers, the type of product or service that is supplied and where they are located;
- Review of the Global Slavery Index reports and other publications by the Minderoo Foundation and other humanitarian organisations to gain an understanding of the high-risk products, countries, sectors and industries; and
- Assessment of supply chain risks and allocation of a risk profile to each supplier.

RISKS OF CAUSING OR CONTRIBUTING TO MODERN SLAVERY PRACTICES

The risk of the Group causing or contributing to modern slavery practices was assessed as low. The Group has zero tolerance for any form of modern slavery. We promote a values-based culture, and we are committed to acting ethically in all aspects of our business, including by having practices and procedures in place to minimise these risks.

The Group has a modern slavery policy, with its principal objectives including to model a culture of ethical behaviour by conducting business with stakeholders that share our values and maintaining policies and plans that promote ethical and legally compliant business conduct and that contribute to prevent modern slavery.

The procurement of products and services for the Group's operations in Nauru, including labour hire, during the relevant period were sourced through a government agency of the Government of Nauru. There is a presumption that the Government Agency is abiding by the laws of that nation.

RISKS OF BEING DIRECTLY LINKED TO MODERN SLAVERY PRACTICES

As part of the initial scoping exercise, we identified products and services that we procure that may fall within categories of industries or products that are considered to be at higher risk of modern slavery practices. These include, for example, labour hire, construction materials, ICT equipment, food products and services, and laundry and cleaning services.

Acknowledging that no organisation is immune to modern slavery risks in their operations and supply chains, we are cognisant that modern slavery practices may exist within these supply chains, particularly where the products, or the materials used to produce them, have originated from countries where modern slavery practices are more prevalent.

While the majority of our suppliers are located in Australia, we acknowledge greater visibility on the origin of products is required. We intend to engage with medium to high-risk suppliers in the next reporting period to gain a better understanding of these risks.

CRITERION 4 – ACTIONS TAKEN TO ASSESS OR ADDRESS MODERN SLAVERY RISKS

During the reporting period, the Group has undertaken the following initiatives:

- Developed and implemented a modern slavery policy and plan to assist us to identify, assess and mitigate modern slavery risks in our supply chains.
- Developed and implemented a Modern Slavery Incident Response Procedure to assist staff in handling modern slavery concerns and reporting any incidents or concerns that may arise.
- Reviewed our supplier due diligence procedures and developed a supplier engagement checklist to be implemented to improve supplier engagement about modern slavery risks and to assist us to identify modern slavery risks in our supply chains going forward.
- Strengthened our supplier contracts by including clauses that place obligations on our suppliers to comply with modern slavery legislation and to take reasonable steps to ensure that they have adequate modern slavery policies and procedures in place to reduce their modern slavery risks.

The Group also has other policies which assist in managing human rights, including its Code of Conduct, Child Protection Policy, Fraud and Corruption Procedure and Whistleblower Policy.

The Group's Modern Slavery Incident Response Procedure also provides processes for managing any modern slavery situations that may occur in the Group's operations or supply chains. This includes processes for investigating and handling incidents in a manner consistent with the Commonwealth Government's Guidance for Reporting Entities.

Every situation of modern slavery will be different and it is important that the Group's response be in the way that is most appropriate for each case. Canstruct may seek advice from experts and advisors (which may include government agencies, reputable international and local organisations and civil society groups as appropriate) to establish an appropriate remediation strategy.

CRITERION 5 – ASSESSING THE EFFECTIVENESS OF ACTIONS

The Group has established a process for assessing the effectiveness of the Group's response to modern slavery risks. This process includes:

- Annual review of the Group's Modern Slavery Policy, Plan and Procedure;
- Annual audit of the Group's due diligence processes to track and measure:
 - The number of due diligence questionnaires completed for engaged suppliers;
 - The number of risk assessments completed for engaged suppliers;
 - Whether risk mitigation procedures have been implemented for suppliers that are identified in the risk assessment as medium and high risk suppliers;
 - The number of supplier contracts that include modern slavery clauses; and
 - The number of medium or high-risk suppliers engaged by the Group.
- Annual senior management review of the effectiveness of the processes implemented by the Group, having regard to the number of reported cases of suspected modern slavery in the Group's operations or supply chains (if any) during the period.

CRITERION 6 – CONSULTATION WITH OWNED AND CONTROLLED ENTITIES

Consultation has occurred between RARD No.3 and Canstruct for the preparation of this statement. Canstruct is wholly owned by RARD No.3 and has the same company officers.

CRITERION 7 – ANY OTHER INFORMATION

Following the annual review of our progress for this reporting period, we acknowledge that a deeper dive into our suppliers is required to gain more visibility of the origin of products and services that we procure. We intend to implement the supplier due diligence processes that were developed in this reporting period, including engaging with suppliers that were identified in our initial scoping exercise as being at medium or high risk of modern slavery practices.

We also intend to implement training for all staff and contractors to raise awareness of modern slavery risks and to guide staff on how to respond to incidents should they arise.

This statement was approved by the Board of RARD No.3 Pty Ltd on 23 March 2021.



Rory Murphy

Chairperson