



ARLEC UNIT TRUST PTY LTD

Modern Slavery Statement 2023-24

Introduction

Arlec Unit Trust – Trustee Arlec Australia Pty Ltd (Arlec) including its international subsidiaries aims to provide our customers with cost competitive and quality products. In today's global market, this means sourcing products from a variety of locations nationally and internationally.

In recent years, concerns over poor working conditions, slavery like practices, human trafficking and child labour in developing countries and emerging markets have seen companies implement specific social and environmental criteria for the production facilities from which they source products.

In order to address these concerns our Policy is to ensure we:

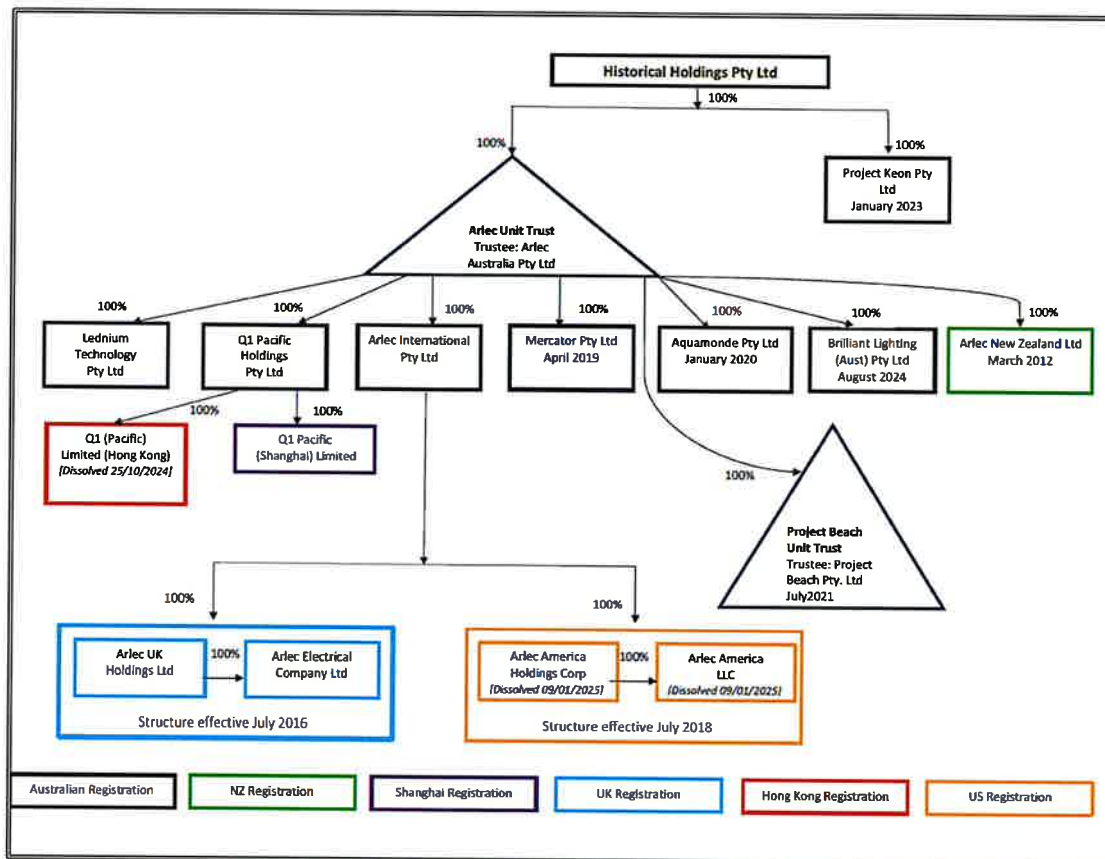
- Source all products in a responsible manner
- Use suppliers with acceptable human rights and fair work practices.
- Provide clear guidance to all Arlec staff
- Protect our corporate reputation.

In accordance with the expectations of our customers, the community, and the requirements of the law, we endeavour to always operate responsibly within the community, and we expect the same from our suppliers.



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Identify the reporting entity.



Structure, operations, and supply chains

Arlec provides product for the Asia-Pacific and United Kingdom mainly sourced from Asia. Arlec's scope of activity is for the design, procurement, product conformance, and sales of electrical and electronic tools, consumer products, electrical trade products, plumbing, hardware items and the supply of associated electrical services. Arlec utilises consolidation centres in Chiwan in Southern China and Ningbo in Northern China and Q1 office in Cixi. Arlec has warehouses in Australia, New Zealand and United Kingdom from which goods are supplied and transported to local domestic customers.



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Risk of modern slavery practices in operations and supply chains

One of Arlec's goals is to provide a cost-effective supply chain to customers. This is achieved by utilising various suppliers. The risk here is that due to pressure to reduce costs, suppliers may consider using modern slavery in their factories. There is a risk that Arlec may contribute to modern slavery practices through its arrangements with third-party supplier factories that focus on minimising costs. There may also be a risk further down the supply chain through labour practices used by the raw material and component suppliers.

Arlec also uses substantial transport chains in the form of container shipping and local transport via trucks around the world. This is believed to be a limited risk because employees comply with regulations to prevent theft of product and Arlec uses certified corporate companies for freight forwarders and domestic freight.

Arlec has identified that subcontracting the cleaning of its offices after hours may lead to a risk of contributing to modern slavery. Arlec believes this to be a minor risk as the cleaners start as the employees finish for the day, and people get the opportunity to meet and chat. This is closely monitored and reviewed regularly with permanent staff employed in line with the national award.

Arlec has identified that there is a risk of modern slavery in its warehouse operations. To mitigate this all staff are paid above award rates and have their working visas checked, including subcontracted staff.

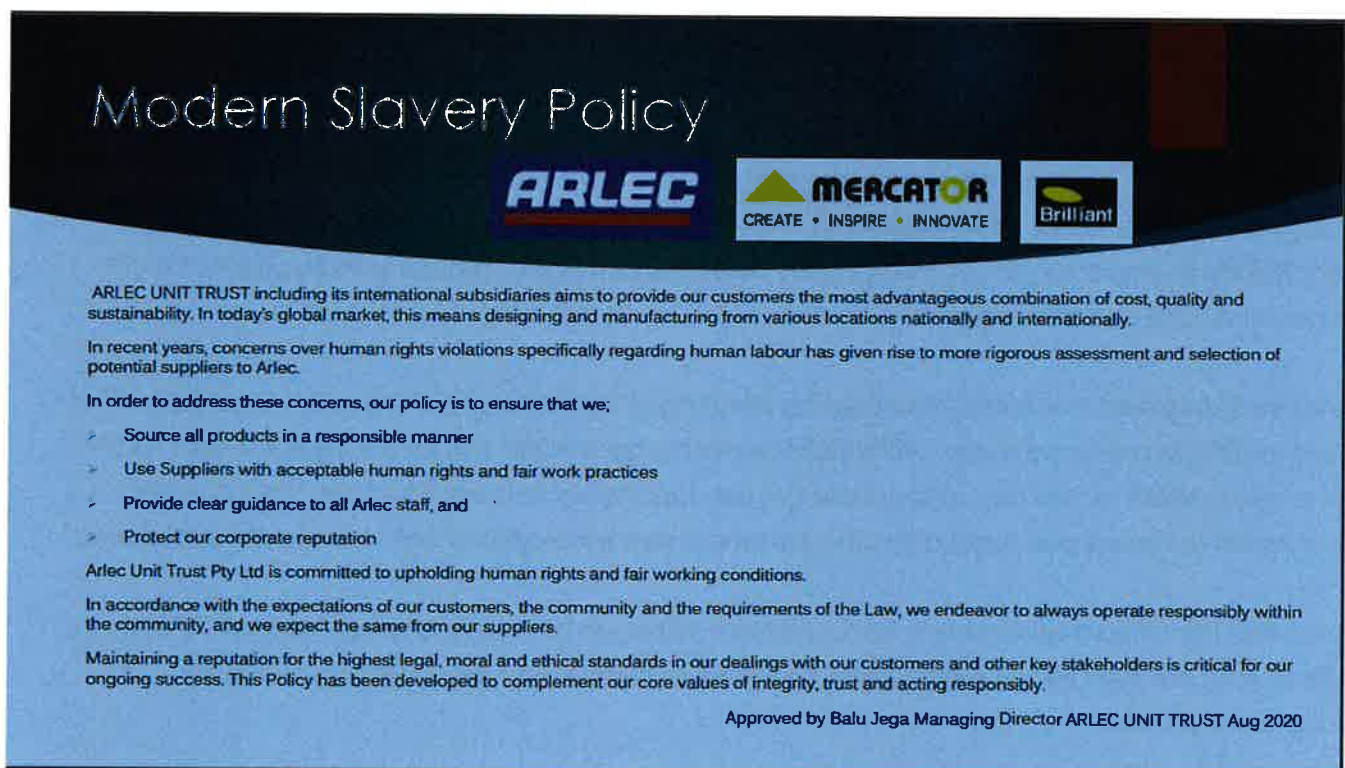


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Actions taken to assess and address these risks, including due diligence and remediation processes.

Arlec has taken steps to address the risk of modern slavery in its Asian Supply Chains by

- a) Developing and annually reviewing a Modern Slavery Policy by Top Management.



- b) Arlec has consolidation centres staffed by qualified management, being either Chinese or Malaysian nationals who have been educated in Western universities in Australia, or the U.K. The support personnel such as engineers, logistics officers and purchasing teams, are again nationals of the countries they operate in. These consolidation centres support Arlec in developing good relationships with suppliers in order to assist in ensuring that product made in compliance with Australian standards and are also acceptable to social and environmental practices.



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- c) Arlec provides our suppliers with the "Arlec Supplier Guiding Principles" in English and Mandarin (where required), which suppliers are required to sign for compliances. These principles address bribery and corruption, labour rights, freedom of association and the right to collective bargaining, working conditions, child labour, living wages, working hours, discrimination, regular employment, harsh or inhumane treatment, entitlement to work and immigration, sub-contracting and home working, environment compliance and legal requirements.
- d) Arlec has experienced staff who audit the factories using "Factory Quality Audit/Code of Conduct Audit" form, which incorporates a checklist. Such staff might be from Australia, or Arlec's consolidated centres. Where it may prove difficult to send Arlec staff, third-party inspection services (eg. Waltek) in Asia are used. Wherever factory visits are not possible the factory is required to complete and sign a "Factory Self-Assessment Form". Good Relationships are managed from the Australia head office to build trust.
- e) Arlec also has a whistle blower policy "Arlec Whistle-blower & Improper Conduct Policy & Procedure" to encourage reporting of such practices. The purpose of this policy is to:
 - Encourage the reporting of improper conduct (including potentially fraudulent and corrupt conduct) by employees, suppliers, customers and other third parties.
 - Assist in obtaining information on suspected fraudulent behaviour, corruption, and improper conduct so that such conduct can be addressed.
 - Provide a mechanism which can be used for reporting improper conduct; and
 - Help protect people who report improper conduct in good faith.
 - New staff receive this information upon commencement, in addition to their induction package which includes contact details for reporting.

Remediation Process

Wherever non-compliance is identified, the supplier is required to fix the issue within an appropriate duration depending on the nature and severity of the non-compliance. Suppliers are '**conditionally approved**' if non-critical non-compliances have been identified and notice has been given that they must be remedied. If a supplier then addresses non-compliance, it is deemed to be an 'approved' supplier site. In this way, our audit process is contributing to improving conditions for workers by working with supplier site owners to address any issues. If a supplier site is not willing or able to address a critical breach, our business will stop buying from that supplier site.



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How Arlec assesses the effectiveness of these actions

By Measuring

Number of suppliers who have been found to breach modern slavery guidelines. (2023-24)

Zero suppliers have been found to breach the modern slavery guidelines (Arlec Guiding Principle) for FY2023-24.

Number of suppliers audited, and records of non-compliance.

A total of 19 suppliers were audited for onsite Arlec factory audit and 36 were for third party ethical audit. None of them had critical non complies.

All the 36 suppliers had a few major or minor non compliances in third- party ethical audit.

Number of suppliers who sign Supplier Guiding Principles as a percentage of those that have been assessed as new suppliers.

100% of the 19 new suppliers for FY2023-24 signed the Supplier Guiding Principles.

Process of consultation

All Arlec companies share a common management team as well as a common engineering team. Information about modern slavery prevention is shared with these teams on a regular basis. Due to the use of Supplier Guiding Principles, engineers remain very familiar with this. As a part of our annual review of this statement we run refresher training for all staff.



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References

A097-F1 Code of Conduct – Factory Audit Checklist

Arlec Supplier Guiding Principles (also provided in Mandarin)

C045-F3 Factory Self-Assessment Form – New Factories

A037 Arlec Improper Conduct Policy & Procedure

Commonwealth Modern Slavery Act 2018

These documents can be found in the Arlec Quality Management System

This Statement is approved by the Board of Arlec Unit Trust which is comprises of companies that comes under the parent entity of Arlec Unit Trust on 24th April 2025

Approved By: Ian Trahar

Position: Director

Signature:

Date: 30 April 2025

Change History

Rev No	Change Description	Change Date	Change Given By	Change Approved By:
01	Header changed for "Arlec Unit Trust" and few of wordings changed in Policy sentence.	22/Sep/2023	Rinkal. J	Lisa. D
01	In section Actions "e" item added for "New staff are provided a commencement date in addition to induction package which includes contact details for reporting"	22/Sep/2023	Top Management	Lisa. D
01	Effectiveness measurables numbers added for FY2022-23.	22/Sep/2023	Ricardo. L	Lisa. D
02	a) Identify the reporting entity. Page-02 b) For measuring numbers. Page-07 c) Sectioned modified to remove "Covid" and factory quality audit form added.PAGE-05	23/04/2023	Christina. Y and Rinkal. J	Michael. N

