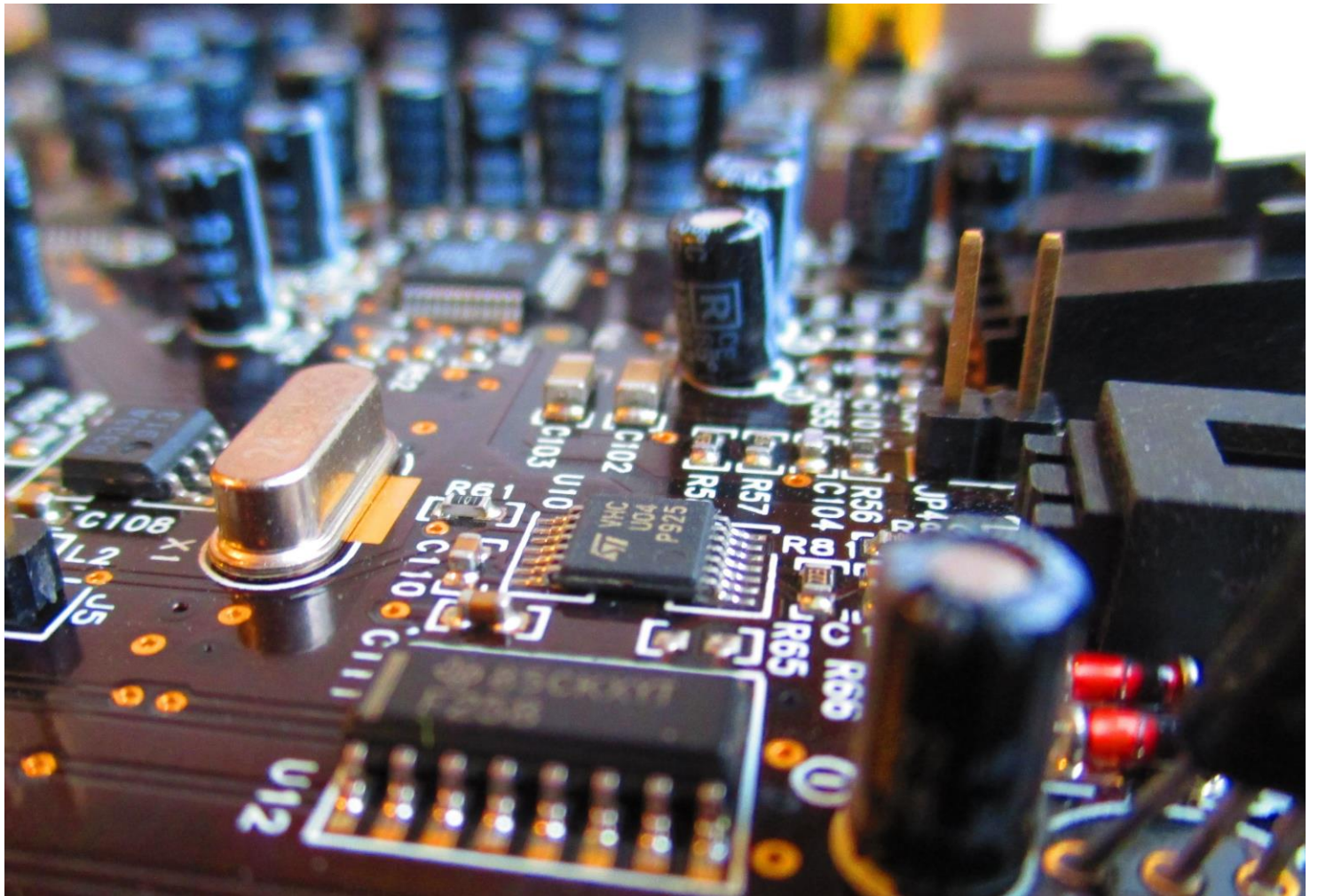




MODERN SLAVERY STATEMENT 2020



STATEMENT MODERN SLAVERY



OVERVIEW

This statement is the first Modern Slavery statement for Braemac and details the steps we have taken to minimise the risk of Modern Slavery across our business operations and supply chain.

This statement is made under the Australian Modern Slavery Act 2018 (Cth) for the financial year ending 30th June 2020 and is published on behalf of Braemac Pty Ltd, its subsidiary and other Braemac related Australian based operating entities.

INTRODUCTION

Braemac is an Australian Private Company operating in ANZ since 1984 with an established global customer base across Australia, New Zealand, North America, Asia and the United Kingdom. Braemac is a leading distributor of semiconductors and other electronic components and also provides comprehensive value-added services through its design and engineering capabilities. In Australia, Braemac is accredited with the Quality Standards of ISO9001 and ISO13485.

Braemac is fully committed to operating responsibly and establishing a high ethical Modern Slavery standard across the group. This statement covers Braemac, any subsidiary entity and other operating entities in ANZ. Our approach is to ensure that Braemac has a robust framework and the necessary processes in place to minimize the risk of Modern Slavery in our business operations and supply chain.

OUR STRUCTURE, OPERATIONS, AND SUPPLY CHAIN

The entities in this joint statement are Braemac Pty Ltd the Trustee company of the Braemac Unit Trust (ABN: 71 332 650 026), Braemac NZ Pty Ltd (Company Number: 9429038424991), a wholly owned subsidiary, plus other operating companies which are Braemac Engineering Pty Ltd (ABN: 28 159 835 668), Braetec Pty Ltd (ABN: 32 002 161 702) and Braemac SA Pty Ltd (ABN: 59 054 422 230). These entities are referred to as Braemac.

Braemac has a diverse range of customers ranging from small to large businesses, including Federal, State & Local Government departments. We provide services to various industries including gaming, telecommunication, transportation, education, medical and military sectors.

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In total, Braemac employs approximately 100 staff across the following business departments:

- ◆ Management and Administration
- ◆ Finance
- ◆ Product Marketing
- ◆ Procurement
- ◆ Information Technology
- ◆ Sales and Customer Service
- ◆ Engineering and Design
- ◆ Warehousing
- ◆ Production
- ◆ Quality Assurance

Our business model is that of a distributor of semiconductors and other electronic components, plus we provide comprehensive, value-added services. We source a large percentage of electronic components from major accredited manufacturers and distribute their products to both overseas and the Australian markets. In addition, we have in Sydney our own purpose-built manufacturing cable assembly and testing facility. We also partner with electronic contract manufacturers for our turnkey assemblies.

THE RISKS OF MODERN SLAVERY PRACTICES IN THE OPERATIONS AND SUPPLY CHAINS OF BRAEMAC.

In preparation of this statement, we have considered the risks linked to Modern Slavery practices, in accordance with the Australian Government's Modern Slavery Act 2018.

The majority of our supplies are sourced from tier 1, large multinational corporations who have already taken the necessary actions to minimize the risk of Modern Slavery throughout their supply chain. They have implemented different corporate social responsibility policies, human rights policies, and modern slavery policies throughout their supply chains.

In addition, the Modern Slavery risks associated with supplies produced locally through local sub-contractors remain low, as ANZ human rights and labour policies are well set up and implemented throughout ANZ businesses. There are strict statutory laws in place which ensure that all entities are in compliance with these policies.

The above highlights that Modern Slavery risks for Braemac remain very low in light of the profile of our suppliers.

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The major risk for Braemac is in the alternative components supply chain (referred to as tier 2), where they produce specific made-to-design components. These tier 2 entities may source components from other, yet smaller companies that produce specialized components.

ACTIONS TAKEN TO ADDRESS THE MODERN SLAVERY RISKS BY BRAEMAC.

We are committed to ensuring that there is no Modern Slavery in our supply chains or in any part of our business. We are also committed in implementing and enforcing effective and robust systems and controls to ensure slavery is not taking place anywhere in our supply chain.

Below is a summary of the measures that Braemac has undertaken:

- Implementation our first Anti-Modern Slavery policy.
- Staff training on the Modern Slavery Act 2018 (Cth).
- Auditing of key suppliers via a targeted questionnaire.
- Inclusion of Modern Slavery in our Purchase Terms and Conditions of Trade
- Review new suppliers at the time of onboarding for their Modern Slavery compliance.

ASSESSMENT AND EFFECTIVENESS OF OUR ACTIONS

Our Modern Slavery due diligence incorporates both internal and external assessments to regularly review our processes.

- We have implemented a Risk Assessment Register to record all kinds of risks in our supply chain. This ensures periodic review of risk and allows visibility by our management team.
- Braemac's procurement personnel are trained to conduct and review Modern Slavery risks associated with our suppliers and to report any nonconformance.
- We engage external auditors to undertake a review of our processes and actions, including the assessment of our suppliers.
- As an added process, Braemac provides a whistle-blowing facility for both suppliers and staff to raise any concerns.

Currently we have not found any Modern Slavery related incidents within our company or within suppliers we have utilized in the past 12 months.

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THE PROCESS OF CONSULTATION WITH ENTITIES THAT ARE PART OF BRAEMAC

Braemac Pty Ltd manages and purchases electronic components on behalf of its subsidiary and other operating entities in Braemac. This reduces the amount of consultation required between the entities.

OUR FUTURE COMMITMENTS

Over the next year, our key goals would be to:

- ◆ Ensure adequate training to staff on Modern Slavery guidelines.
- ◆ Continue with the assessment of our suppliers on Modern Slavery.
- ◆ Encourage suppliers who are non-reporting to make their own Modern Slavery commitment.
- ◆ Review and update our risk related policies and governance control measures.

This statement has been approved by the Board of Directors of Braemac Pty Ltd on 31st of March 2021.

Signed,

A handwritten signature in black ink, appearing to read "D. Nemeny", written over a horizontal line.

Danny Nemeny
Director
Braemac Pty Ltd