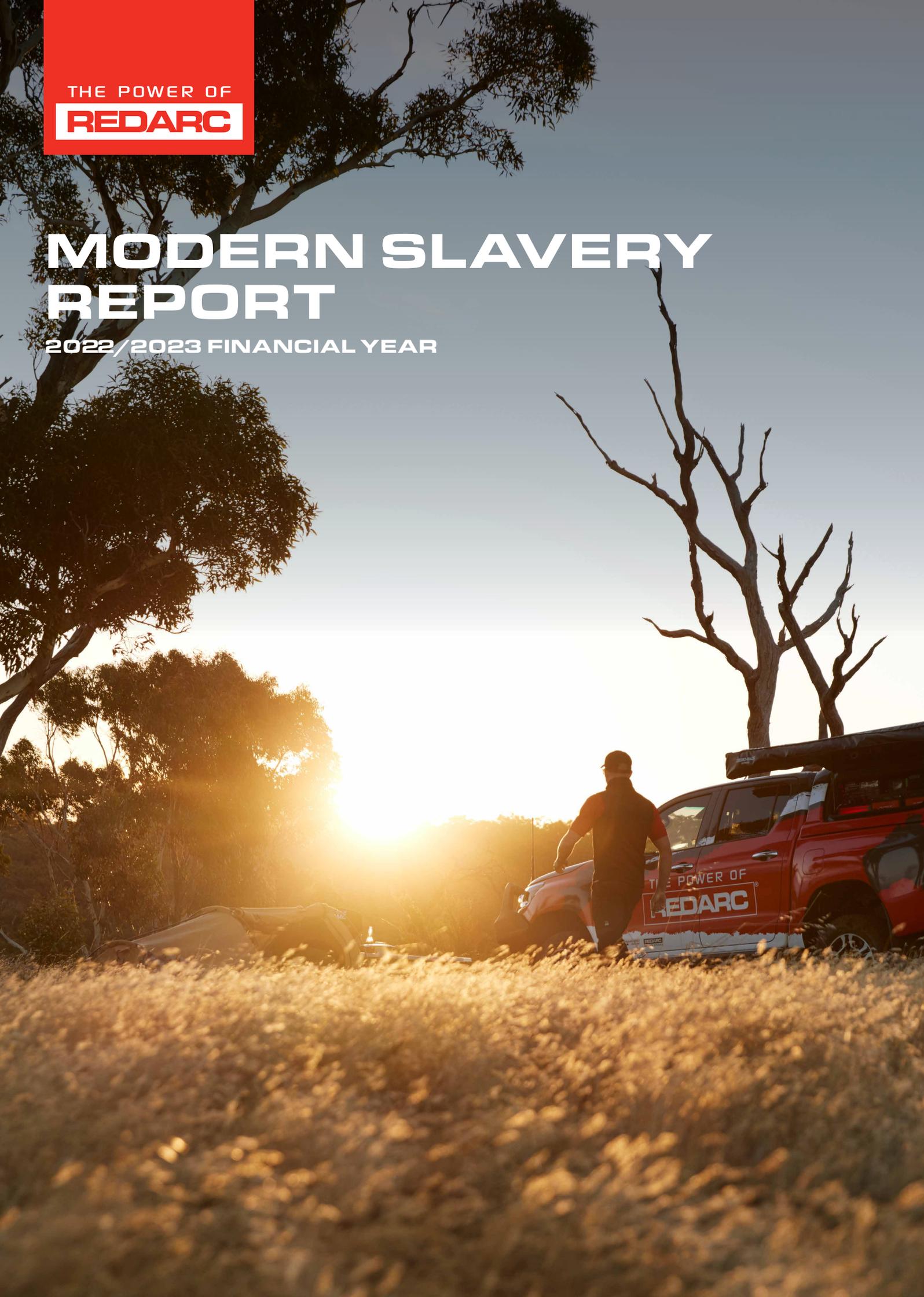


THE POWER OF
REDARC

MODERN SLAVERY REPORT

2022/2023 FINANCIAL YEAR





THE POWER OF





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1 ENTITY OVERVIEW



REDARC Trust ('REDARC' or 'REDARC Electronics') is a privately owned Australian business specialising in the development, design and manufacture of voltage conversion products and supporting accessories including Battery Chargers, Brake Controllers, Inverters and Power Supplies. 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 350 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 and internationally across Europe, New Zealand and North America.

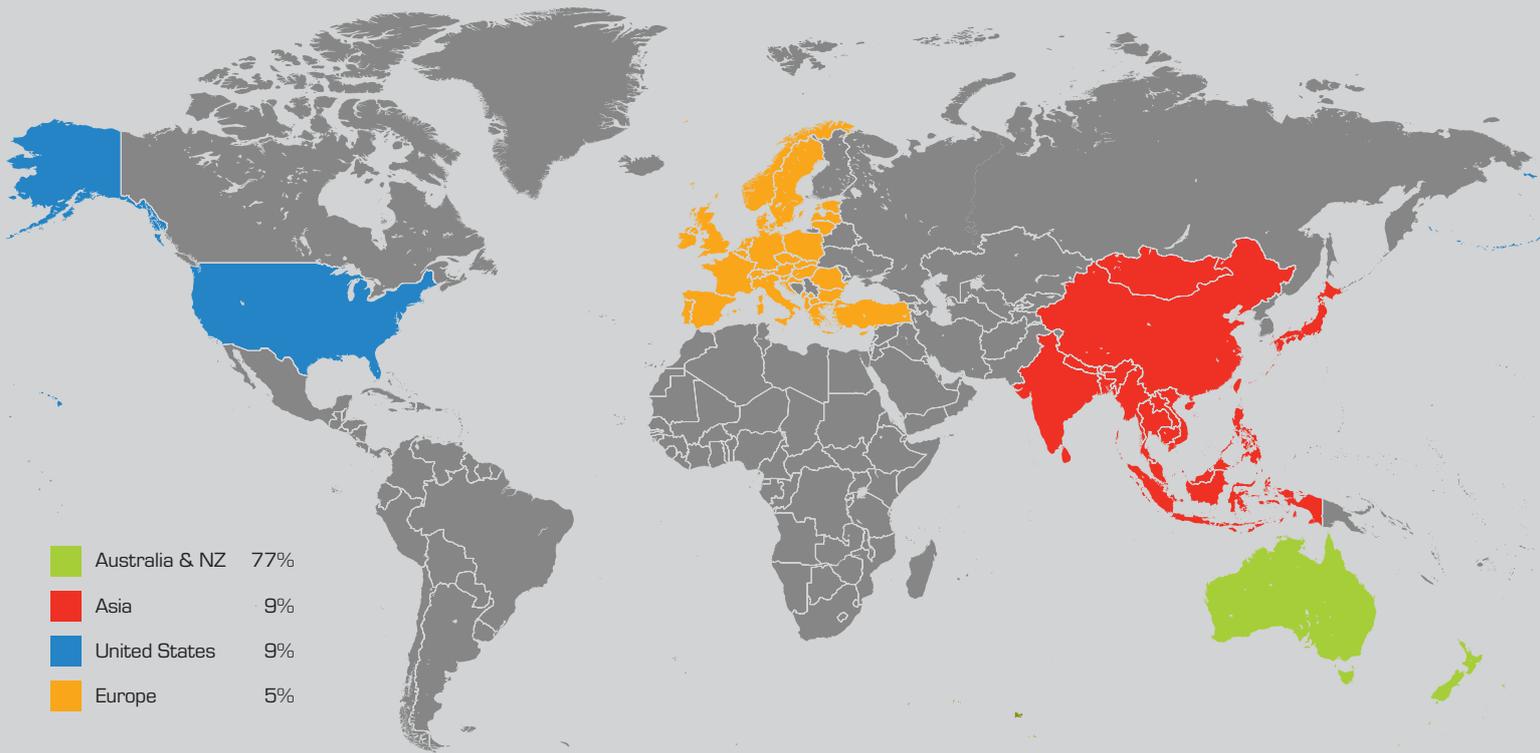
This statement covers REDARC Electronics Pty Ltd as trustee for REDARC Trust ABN 77 136 785 092, a discretionary trust trading as REDARC Electronics. REDARC Electronics does not control any other entities. The statement is made under the Australian Modern Slavery Act 2018 for Financial Year 2022-2023. This statement was approved by Anthony Kittel as the sole Director and Principal governing body of REDARC Electronics Pty Ltd and as trustee for REDARC Trust on the 10th of December 2023.

Anthony Kittel
Managing Director and
Chief Executive Officer

10th December 2023

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

2 REDARC'S OPERATIONS AND SUPPLY CHAIN



REDARC SUPPLIER BASE LOCATIONS

REDARC's core competency is the design, development and precision manufacturing 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 an 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 allows REDARC to design, build and test products close to our customers and markets.

REDARC sources materials and services from many countries around the world to develop and manufacture class leading, highly reliable products for our customers and markets. The global nature of electronics would mean that parts are sourced from large specialised Multi-National Corporation's (MNC's) who operate in different geographies according to regional specialisations. REDARC will often engage these MNC's 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.

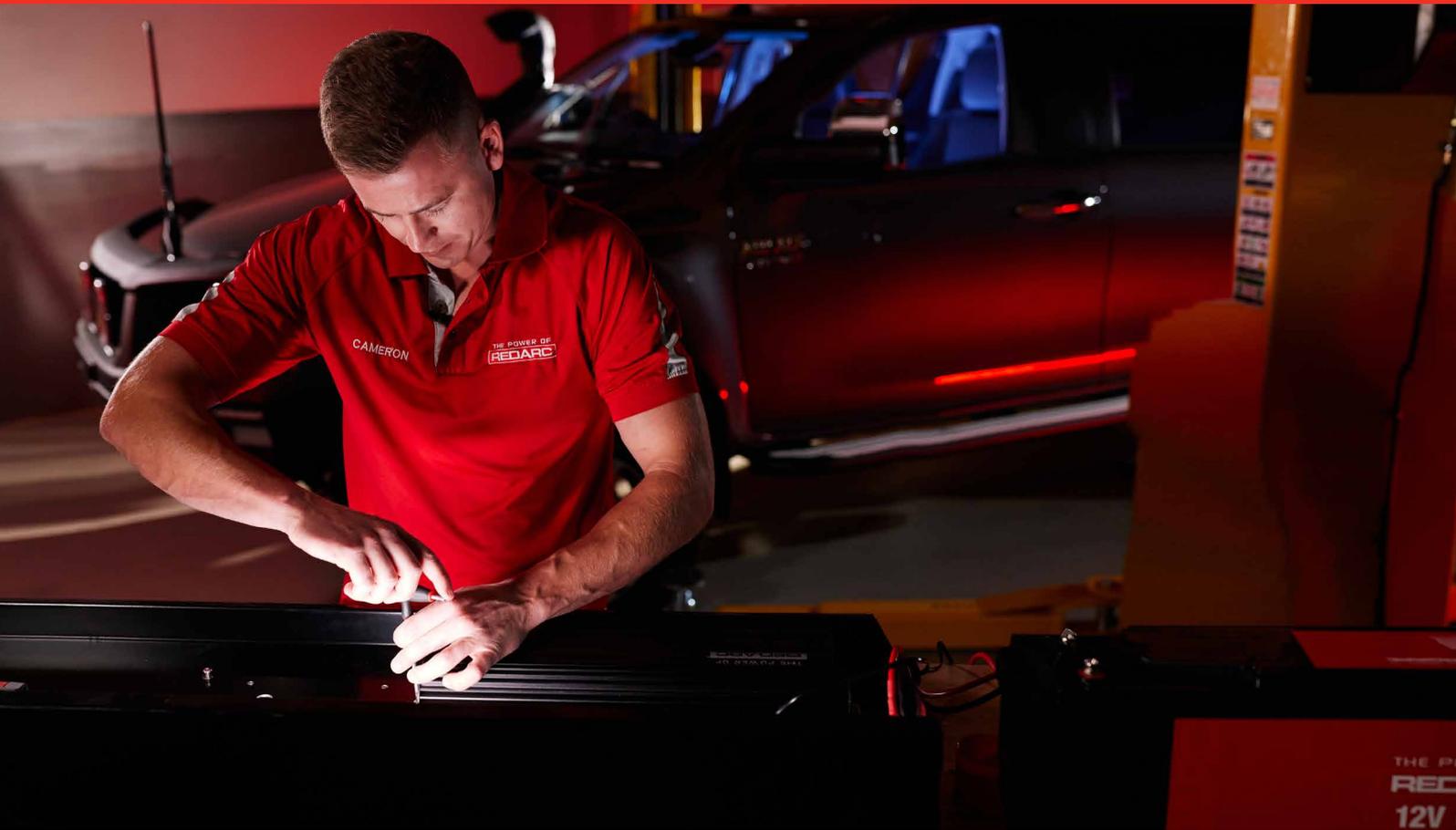
REDARC purchases a wide range of products that we use in the manufacture of our equipment or as buy in products that supplement the customer offering. In FY22-23, our suppliers were based in the following regions of the world:

- 77% of our suppliers were based in Australia and New Zealand
- 9% is in Asia
- 9% is in United States
- 5% is in Europe

REDARC chooses to work with innovative and 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.

In FY22-23, REDARC completed 8 local audits and 18 international audits on site at our suppliers' factories. In all overseas audits, our Modern Slavery Questionnaire was completed face to face with the supplier.

3 MODERN SLAVERY RISKS IN REDARC'S OPERATIONS AND SUPPLY CHAIN



In FY22-23, REDARC has examined internal operations and its supply chain to scope for potential Modern Slavery risks. The following three key questions have been addressed:

IS THERE A RISK THAT REDARC MAY CAUSE MODERN SLAVERY?

REDARC undertakes its direct operations in Australia, New Zealand, North America, and Europe. All employees and contractors are protected by the governing laws of the country and REDARC's internal policies, procedures, and codes of conduct to ensure that REDARC cannot directly cause Modern Slavery.

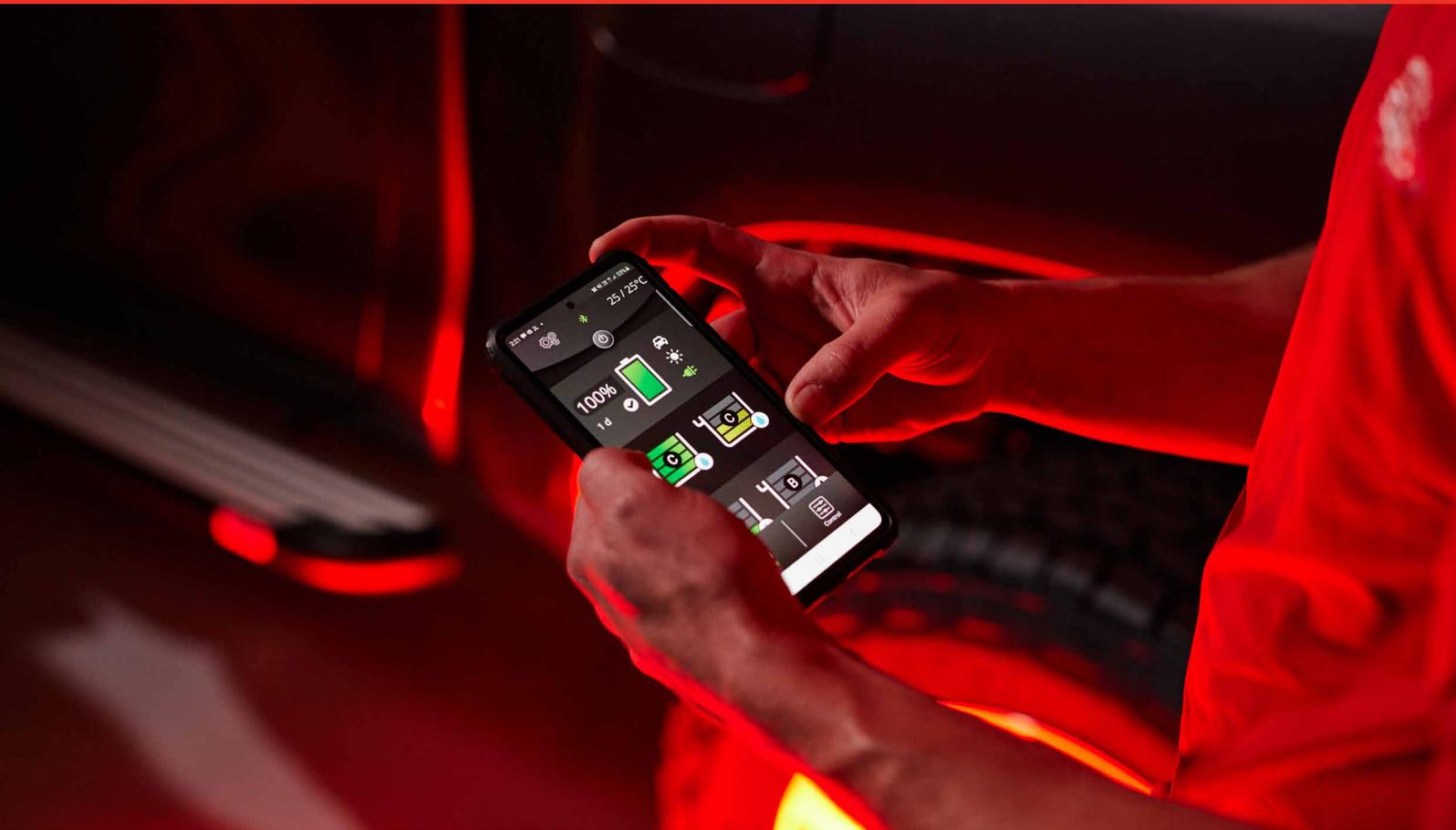
IS THERE A RISK THAT REDARC MAY CONTRIBUTE TO MODERN SLAVERY?

REDARC's Procurement Team operate under a Procurement Policy that promotes ethical and sustainable global sourcing. REDARC has conducted extensive due diligence and work with our suppliers to ensure that the potential risk of contributing to Modern Slavery is minimised. All REDARC Procurement Team members have undertaken Modern Slavery awareness training to ensure that Modern Slavery risks can be identified and mitigated. All key suppliers have been screened for Modern Slavery risk using questionnaires and follow up interviews if required.

IS THERE RISK THAT REDARC MAY BE DIRECTLY LINKED TO MODERN SLAVERY?

REDARC operates a Global Supply Chain to support the manufacture of its high-quality electronic products. REDARC acknowledges that although all efforts are made to ensure that direct suppliers are not associated with Modern Slavery, there is a potential risk in supply tiers outside of REDARC's control. In many instances, REDARC sources via MNC's who impose strict standards in the Supply Chain to avoid Modern Slavery.

In FY22-23, REDARC has been able to visit suppliers in some high-risk geographic regions to screen for Modern Slavery risks and promote risk reduction. In addition, REDARC has conducted interviews with strategic suppliers to better understand their supply chains and operations to further minimise potential risk of being linked to Modern Slavery practices.



POTENTIAL RISKS:

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.

Staff uniforms

Although REDARC is not directly involved in the uniform manufacturing, the textile industry has been identified as high risk.

Solar products

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

GEOGRAPHIC RISKS

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

REDARC acknowledges that there is risk in the raw materials mined and extracted for use in production of electronics components.

REDARC mitigates this risk by sourcing electronic components via MNCs who have effective controls in place to ensure that the raw materials are not produced from areas of conflict or slavery risk.

4 REDARC'S MODERN SLAVERY RISK MANAGEMENT



OUR VALUES

REDARC promotes safe, fair, and ethical behaviour within its Operations and Supply Chain. Employees are provided with REDARC's code of conduct upon employment which depicts the standards, values and principles expected from all team members. REDARC's high standards are extended to our contractors, service providers and suppliers within REDARC's Supply Chain through our Supplier Guidebook.

REDARC has completed its FY22-23 actions that were tabled in the Modern Slavery Risk Management Action Plan in the last report.



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.

REDARC MODERN SLAVERY RISK-MANAGEMENT ACTION PLAN REVIEW

FY20-21

- Updated supplier questionnaire to address Modern Slavery risks in onboarding new suppliers.
- Trained staff and procurement teams on identifying, addressing and reporting Modern Slavery risks in the supply chain.
- Updated Purchase Order Terms, Master Supply Agreement and supplier guidebook to address Modern Slavery concerns.
- Attended Modern Slavery Training conducted by external parties.
- Participated in online Modern Slavery webinars presented by Chartered Institute of Procurement and Supply to seek best practice.

FY21-22

- Publish our first publicly available Modern Slavery report.
- Map out Tier 1 and 2 suppliers to address Modern Slavery risks deeper in the supply chain.
- Set up procedures to allow people in REDARC's supply chains to safely report Modern Slavery risks.
- Improve supplier awareness of Modern Slavery through training and support.
- Enhance and update the Whistle Blower and reporting process for REDARC.

FY22-23

- Physically inspect and audit international high-risk suppliers for Modern Slavery risks every 12-18 months.
- Build partnerships with NGOs, industry peers and relevant stakeholders to combat Modern Slavery.
- Develop Modern Slavery supplier engagement plan with strategic suppliers.
- Arrange for strategic in country audits for Modern Slavery risk by REDARC staff or our approved supply auditors.
- Create a Modern Slavery Operations management team to annually assess the risk and actions for REDARC.

FY23-24 AND BEYOND

- Publish a disclosure on the CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT.
- Publish our Modern Slavery Policy.
- Audit Pacific Region key suppliers.
- Conduct audits in new supply clusters in Asia and the USA.
- Implement Modern Slavery risk management KPIs.

4 REDARC'S MODERN SLAVERY RISK MANAGEMENT



PHYSICALLY INSPECT AND AUDIT HIGH RISK SUPPLIERS

The relaxing of COVID-19 travel restrictions has allowed REDARC staff to travel and physically inspect some key suppliers' operations for Modern Slavery risks. For suppliers we have been unable to reach, REDARC has conducted teleconference or desktop audits.

DEVELOP MODERN SLAVERY ENGAGEMENT PLANS WITH STRATEGIC SUPPLIERS

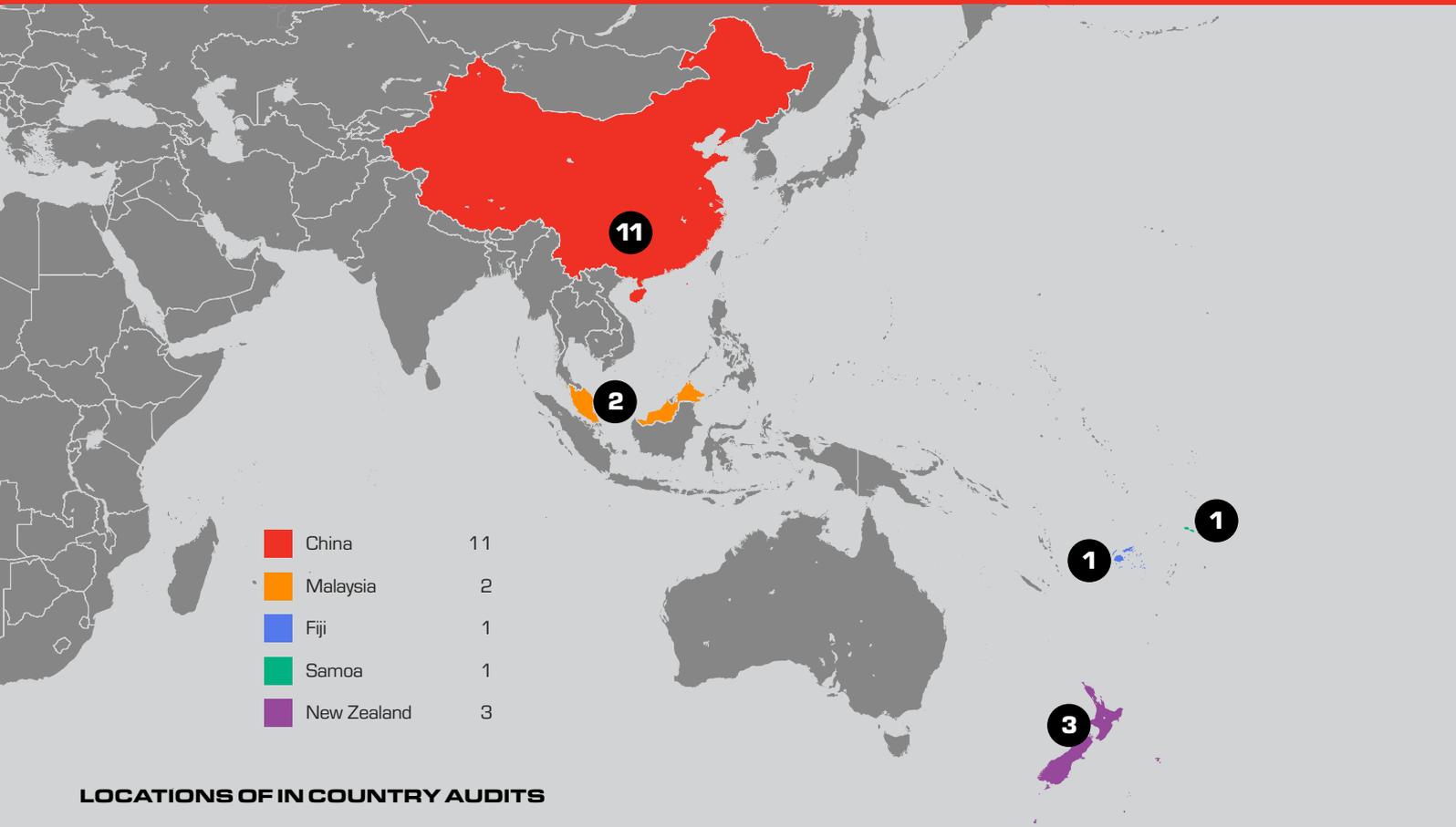
In FY22-23, REDARC has gone beyond sending questionnaires to strategic suppliers and hosted interviews to look deeper into their operations to scope for Modern Slavery risks. The interviews asked suppliers to provide further detail on responses to their answers to questionnaires and provide any supporting evidence. Our strategic suppliers are aware of Modern Slavery risks and are conducting their due diligence to reduce potential for scenarios to occur, within the different tiers.

ENGAGEMENT WITH NGOs, INDUSTRY PEERS AND RELEVANT STAKEHOLDERS

In FY22-23, REDARC has made efforts to collaborate with relevant partners to develop our knowledge and understanding of Modern Slavery risks within the industry. REDARC has reached out to various NGOs including 'Anti-Slavery Australia' and 'Walk Free' for advice and information on how to mitigate Modern Slavery risks.

Furthermore, REDARC has collaborated with industry peers in electronic manufacturing to share strategies and information on Modern Slavery risks within supply chains. This collaboration has initiated new ideas for REDARC on how to conduct the due diligence process.

REDARC's Modern Slavery team have also attended webinars held by companies such as Intertek to stay up to date with the latest news and insights whilst learning how technology can assist in supplier Modern Slavery risk management.



LOCATIONS OF IN-COUNTRY AUDITS

STRATEGIC IN-PERSON COUNTRY AUDITS

With COVID-19 travel restrictions relaxing, REDARC has been able to visit suppliers in Malaysia, China, the Pacific and New Zealand. Through visiting our suppliers in person, we have been able educate our suppliers on what Modern Slavery is and the importance of conducting due diligence across their supply tiers.

In these audits, REDARC has not found any instances of Modern Slavery within our supply chains. From these visits we have been able to foster closer relationships and work together on minimising risk.

Recent visits included:

- China — 11 companies
- Malaysia — 2 companies
- Fiji — 1 company
- Samoa — 1 company
- New Zealand — 3 companies

DEVELOP A MODERN SLAVERY OPERATIONS TEAM

REDARC has established a dedicated team to ensure Modern Slavery due diligence in our operations. The team consists of members of our supply chain who are actively engaged with our suppliers and industry peers to ensure we are up to date with the latest trends. The team meets regularly to ensure knowledge is shared amongst the team and to update on any key risks and new learnings.

In our last report we indicated that our whistleblower policy would be updated and rolled out to all staff. It has been updated but has not been disseminated to all team members. This activity will now happen in 2024. There is little risk to this, as our business size and work culture already promotes open communication, hazard reporting and non-discrimination at all levels in the company.

5 ASSESSING THE EFFECTIVENESS OF REDARC'S RISK MANAGEMENT



CASE STUDY – MALAYSIAN SUPPLIER

In the process of identifying a new supplier for an upcoming project, REDARC identified the potential for Modern Slavery risk with one of the suppliers located in Malaysia and operating in the manufacturing industry.

REDARC requested an initial questionnaire from the supplier which gauges the potential for risk of Modern Slavery within their operations. Following this initial screening a tele-conference was then set up to further discuss findings. It was identified that passports of migrant workers were retained by the employer.

REDARC reached out to the international human rights group 'Walk Free' for advice on passports being retained in Malaysia. It was advised that we needed to clarify what is meant by 'retained' and ensure that employees have access to their passport, if requested. REDARC staff travelled to Malaysia and audited the supplier.

From this, REDARC was able to determine that staff were able to freely access their passports and leave at will. In addition, REDARC was pleased to see that the supplier could demonstrate their compliance to Human Rights and Anti-Slavery requirements by:

- The supplier has provided a declaration of compliance on the Freedom of Engagement Principle on their business letterhead.

- The supplier possess a detailed Foreign Worker Employment and benefits policy and it was evident in the audit conducted by REDARC.
- The supplier also shared their 2020 CSR (Corporate Social Responsibility) & Environmental report and 2023 QIMA's Ethical Audit report (Scored 9.8 out of 10).
- The supplier has also been certified by business sustainability company 'Ecovadis' to a Gold rating in the years 2021-2022.
- The supplier has also registered with the UN Global Compact to reaffirm their support to the 10 Principles of UNGC in the areas of Human Rights, Labour, Environment and Anti-Corruption.

This case study exemplifies the intention of the Modern Slavery Act and indicates that our supplier onboarding process screens for the risk and our actions are effective. In this case, the supplier has updated their Human Rights, Sustainability, Employee Code of conduct and Supplier Code of Conduct Policies because of our review.

REDARC has conducted some industry benchmarking and is confident that its actions and policies are aligned with what is good practice. Over 2024 we will continue to benchmark our plans and progress to ensure that we remain effective in Modern Slavery risk mitigation.

6 CONSULTATION WITH ANY ENTITIES



This criterion does not apply to REDARC as described in Section 1 Entity Overview.

7 FURTHER INFORMATION



Over the coming years REDARC will:

- Continue to train new staff that engage with suppliers in our Modern Slavery practices

- Continue to train our suppliers on Modern Slavery risk awareness so that knowledge in our supply chain deepens

- Create a detailed tiered risk analysis of our suppliers

- Continue to benchmark with companies that are willing to share best practice in Modern Slavery Risk management

- Participate in Industry forums and network events to share our learnings on Modern Slavery risk mitigation

- Continue to develop our internal environmental, social and governance requirements to include the Modern Slavery reporting and ensure that our decisions made in the supply chain constantly reflect our core values





THE POWER OF

REDARC

REDARCELECTRONICS.COM

REDARC Electronics
ABN 77 136 785 092
power@redarc.com.au
23 Brodie Road (North)
Lonsdale, South Australia
Australia 5160

Australia
Phone (08) 8322 4848
Fax (08) 8387 2889
International
Phone +61 8 8322 4848
Fax +61 8 8387 2889