

THE POWER OF  
**REDARC**

# MODERN SLAVERY REPORT

2021/2022 FINANCIAL YEAR





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**REDARC**



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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.

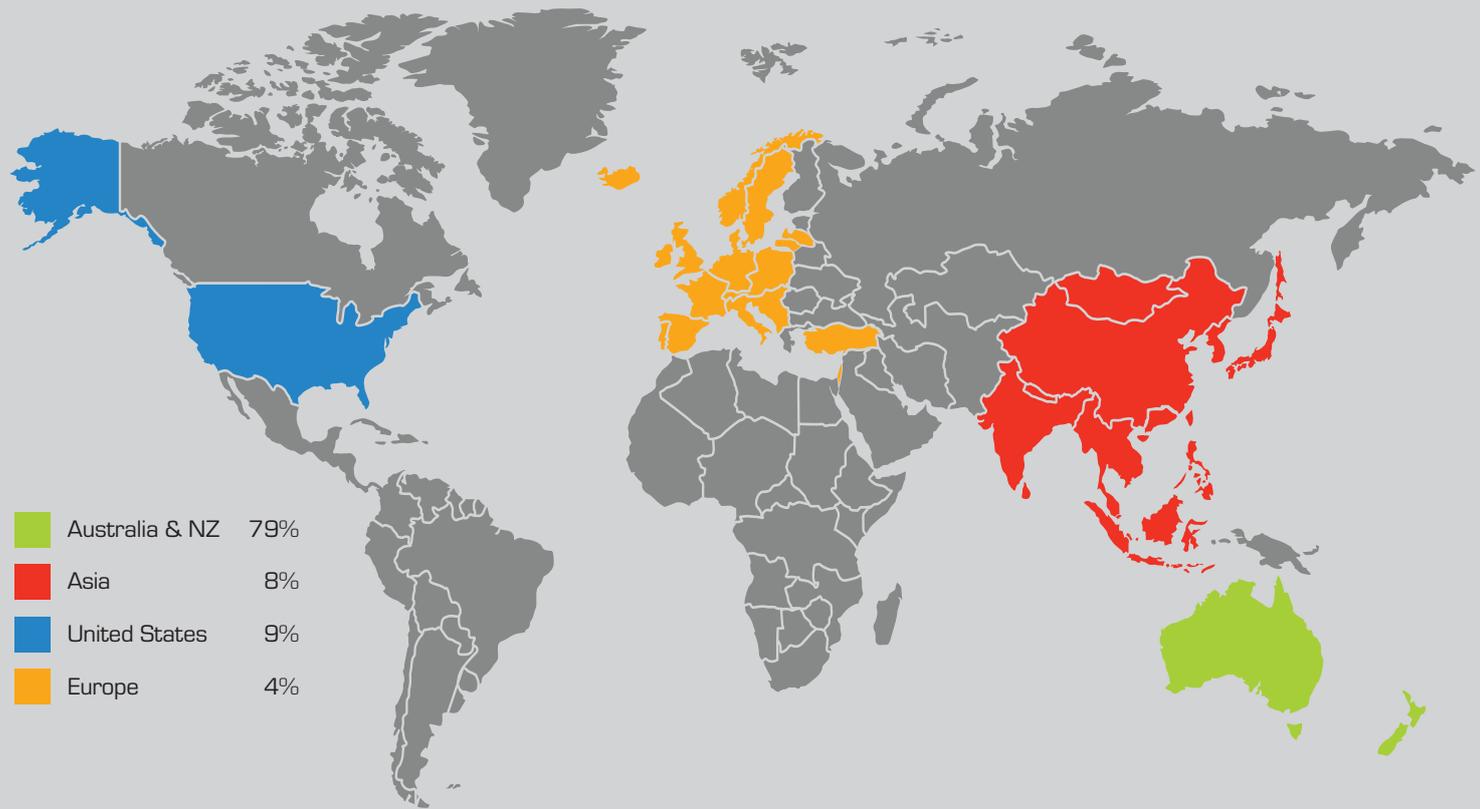
This statement covers REDARC Electronics Pty Ltd as trustee for REDARC Trust ABN 77 136 785 092, a discretionary trust trading as REDARC Electronics. REDARC Electronics does not control any other entities. The statement is made under the Australian Modern Slavery Act 2018 for Financial Year 2021-2022. 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 19th of December 2022.

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

19th December 2022

- ADVANCED ELECTRONICS MANUFACTURER
- STATE OF THE ART ENGINEERING TESTING FACILITIES
- 150 ENGINEERS AND TECHNICIANS
- 350 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 2022, 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 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.

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 CHAIN



REDARC has conducted further analysis of both internal Operations and its Global Supply Chain to greater define potential Modern Slavery risks. REDARC has studied information from the "Department of Home Affairs" and "AntiSlavery.org" to enhance our knowledge on potential risks that may be within REDARC's Operations or Supply Chain.

In our reporting we have examined the three key questions below:

#### 1. IS THERE A RISK THAT REDARC MAY CAUSE MODERN SLAVERY?

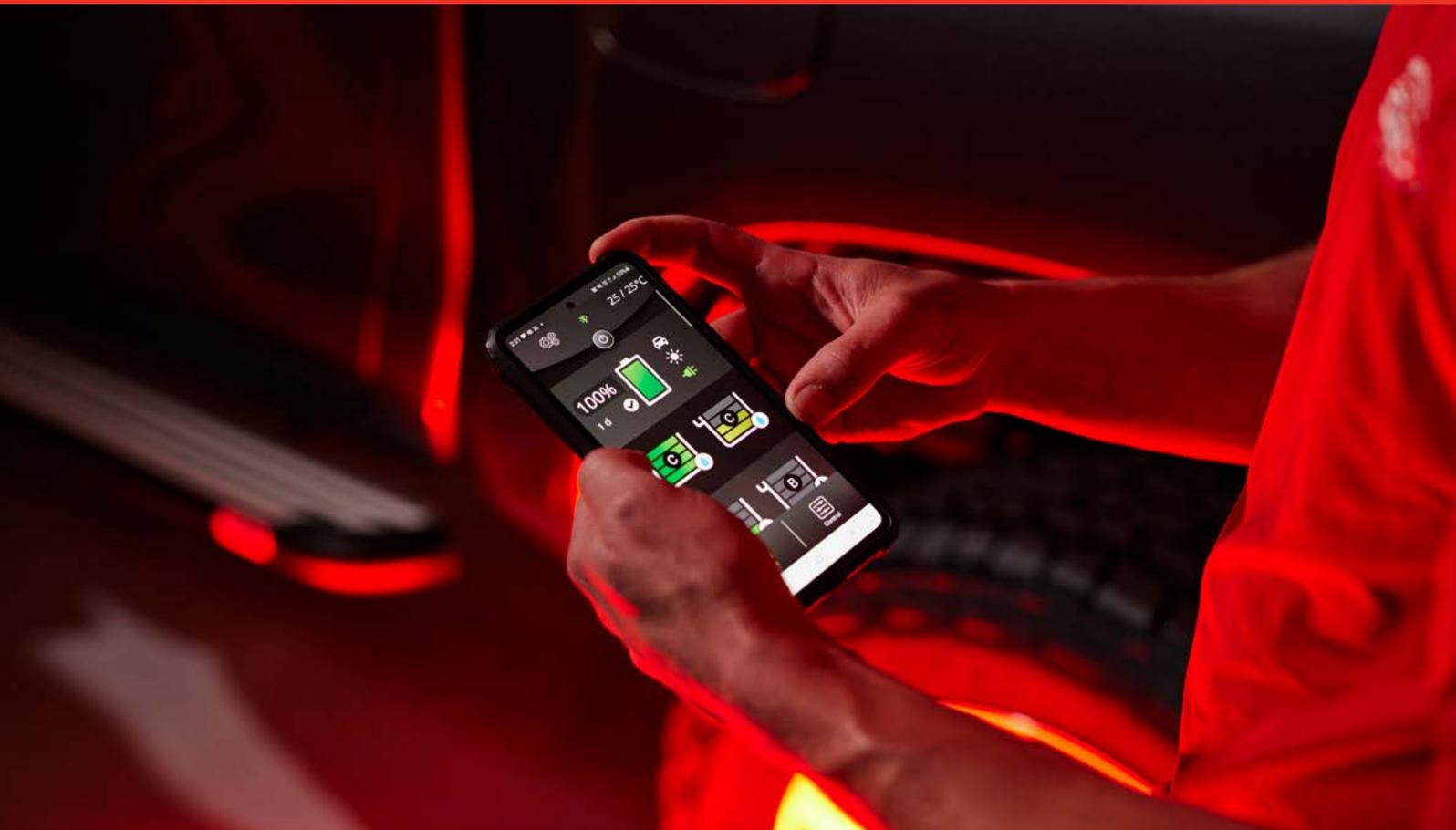
REDARC's manufacturing facility is based in South Australia. There are no associated or directly caused Modern Slavery risks by REDARC. All employees are protected by policies, procedures and REDARC's code of conduct to ensure Modern Slavery risk cannot occur within its direct operations.

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

REDARC's Procurement team operate under a Procurement Policy that promotes ethical sourcing. They have also been trained to identify and manage behaviours that may contribute to Modern Slavery risk within the Supply Chain. Suppliers are screened for Modern Slavery risk prior to onboarding and parts needed by REDARC are selected on multiple criteria.

#### 3. 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.



**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.

**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.

**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.

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 FY21-22 actions that were tabled in the Modern Slavery Management Action Plan in the last report.

## REDARC MODERN SLAVERY RISK MANAGEMENT ACTION PLAN

### 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 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 AND BEYOND

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.

## SUPPLY CHAIN MAPPING

REDARC has reviewed the Tier 1 suppliers to its business which account for 93% of REDARC's spend. Of this 93%, one-third is purchased from suppliers that report on Modern Slavery risk in their own entities. Of the remaining spend, REDARC has identified the suppliers based on their location and the industries in which they operate in. For the portion that were in the high-risk regions and who provide product or services in categories of high-risk, REDARC has interviewed each company to assess Modern Slavery risk. The suppliers were sent a detailed questionnaire and had follow up interviews with staff that can engage in the same language as the supplier, no concerns were reported. A large portion of the remaining spend lies in Australia and once COVID-19 restrictions are eased the same questions will be asked of the domestic suppliers. COVID-19 restrictions have inhibited our ability to conduct face to face audits in 2022, it is hoped that in 2023 the situation eases.

## SUPPLIER SCREENING AND EDUCATION

As part of our due diligence process, REDARC has implemented a Modern Slavery Questionnaire to screen both current and new suppliers. The purpose of the questionnaire is to assess the organisation for Modern Slavery risks, improve transparency between organisations, highlight any areas where due diligence must be increased and to foster relationships to collaboratively address Modern Slavery risks.

The questionnaire focuses on the Organisation's Modern Slavery risk mitigation processes and the working conditions within their Operations and Supply Chain. REDARC reviewed all its Tier 1 suppliers within the high-risk regions & product and services risk in 2022.

## TRAINING

REDARC has built on Modern Slavery risk training from previous years to provide greater detail on the risks and how they can be identified and avoided. REDARC has provided extensive training to our procurement team who are the main contacts with our suppliers. Each member has attended presentations and completed Modern Slavery training modules on the Australian Border Force website.

REDARC has extended further Modern Slavery awareness training to departments who may be in contact with suppliers including Quality, Mechanical Engineering, Project Management, Design Engineering and Marketing.

## WHISTLE BLOWER POLICY

REDARC's Whistle Blower policy is designed to provide protection for all stakeholders within REDARC's operations including staff, contractors and suppliers. The policy encourages the reporting of foul play or unethical behaviour and Modern Slavery. The policy has been developed and enhanced over 2022 and will become part of the standard training package to all REDARC employees in 2023.

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



REDARC would assess the effectiveness of the actions taken from the following:

- REDARC's internal procedures have been successful at mitigating and reducing Modern Slavery risk within our supply chain.
- REDARC developed on previous years Modern Slavery training and has conducted further training to the procurement team, new starters and others who may be in contact with suppliers. Staff who were unaware of Modern Slavery are now able to identify and address potential risks.
- REDARC's supplier questionnaire has been successful at identifying the potential risk in our suppliers that operate in high-risk regions and provide product or services in categories of high-risk. As responses were reviewed, procurement team members were able to address potential concerns and clarify with suppliers of any potential mitigations.
- REDARC will continue to monitor and develop Modern Slavery risk mitigation activities throughout FY22-23, completing actions that were described in the first published report and creating new actions for subsequent years.

In 2023, REDARC will seek to benchmark its performance externally to ensure that our actions are efficient and appropriate.



TASK	COMMENT	STATUS
<b>Publish first statement on Modern Slavery</b>	Successfully published our first report in December 2021	Complete
<b>Map out Tier 1 and 2 suppliers</b>	REDARC has identified Tier 1 and Tier 2 suppliers in high-risk areas and has initiated a questionnaire to screen for Modern Slavery risk.	Complete
<b>Set up procedures to allow people in REDARC's supply chains to safely report Modern Slavery risks.</b>	REDARC has developed the training and awareness of Modern Slavery within teams that engage with suppliers and has promoted knowledge within its domestic supplier group.	Complete
<b>Improve supplier awareness of Modern Slavery through training and support.</b>	REDARC has created a new Modern Slavery questionnaire and conducted interviews with key suppliers.	Complete
<b>Enhance and update the Whistle Blower and reporting process for REDARC</b>	REDARC has developed the Whistle Blower policy in 2022 and will promote to all staff in 2023.	Complete



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