



Modern Slavery Statement 2022

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This Modern Slavery Statement is made in accordance with the *Modern Slavery Act 2018* (Cth) and covers the activities of IPD Group Ltd ABN 12 111 178 351 and its related entities (**IPD Group**). This statement outlines our business model and supply chains, while describing how we assess modern slavery at IPD Group.

This statement sets out actions taken by IPD Group to address modern slavery and human trafficking risks in its business and supply chain for the financial year ended 30 June 2022 and has been adopted by the IPD Group Board of Directors.

Introduction

IPD Group has a zero-tolerance policy for human rights violations including modern slavery practices. This Statement outlines IPD Group's commitment to identify and address the risks of modern slavery practices in its operations and supply chains. With a company culture proudly centred around a safe and enjoyable workplace, ensuring modern slavery practices are not present in operations, as well as supply chains, are of the highest priority. IPD Group recognises that modern slavery practices are not always easy to identify in supply chains outside of their direct control, therefore takes a risk-weighted approach in identifying supply chains most at risk.

This Statement aligns with the *Modern Slavery Act 2018* (Cth) in which modern slavery offences refer to situations where coercion, threats, deception, violence, or abuse of power are used to exploit victims and undermine or deprive them of their liberty. These could include slavery, servitude, human trafficking, forced labour, debt bondage, forced marriage, deceptive recruiting for labour or services, and the worst forms of child labour. IPD Group is committed to assessing risks and ensuring modern slavery practices are effectively identified. IPD Group has senior staff assessing risks on an ongoing basis and recognises that tackling the risk of modern slavery in their supply chains will take ongoing commitment, time and resources and requires awareness and education of all stakeholders.

Figure 1: Picking and packing area at the Wetherill Park warehouse



Who we are

IPD Group (ASX:IPG) is an Australian-owned and operated, ASX-listed distributor of electrical hardware, software, and emerging technology solutions for industrial and commercial Australian market with over 70 years of experience.

IPD Group consists of two core divisions:

- The distribution of products for quality global electrical infrastructure brands; and
- The provision of services, including installation and commissioning, calibration and testing, maintenance, and repairs and refurbishment.

Figure 2: Custom assembly area at the Wetherill Park warehouse



Figure 3: Addelec at the marquee Snowy Hydro 2.0 at Kosciuszko National Park



IPD Group's core focus in the products division is the sale of electrical infrastructure products to customers including switchboard manufacturers, electrical wholesalers, electrical contractors, power utilities, OEMs and systems integrators. Within the division there are eight key categories of products:

- Power distribution and protection
- Automation and control
- Energy management and power quality
- Enclosures and climate control
- Industrial communications
- Safety and hazardous area equipment
- Electric vehicle charging & photovoltaic solutions
- Installation and accessories.

In addition to selling products, IPD Group provides a range of value-added services, including custom assembly, engineering design, technical compliance, procurement, regulatory management and technical support.

The types of products which IPD distributes are used in the electrical infrastructure in every building, infrastructure asset and resources project across Australia. In addition, electrical infrastructure requires ongoing maintenance and refurbishment and, as a result, there is a need for these products for the entire life of an asset, not just in the building and development stage.

In 2019, IPD acquired Addelec which marked the formation of IPD's services division. Within this division there are four categories of services:

- Installation and commissioning
- Calibration and testing
- Maintenance and repairs
- Refurbishment and other.

The acquisition of Addelec resulted in IPD becoming a vertically integrated provider offering an end-to-end solution for its customers. It enabled IPD to sell electrical infrastructure products to customers and then provide a range of related services, enhancing IPD's total offering.

In 2022, IPD Group acquired Gemtek Group, a specialist in electrical vehicle charging infrastructure solutions. Gemtek is a turn-key energy management and electric vehicle solutions provided, utilising over 15 years of design, project management and infrastructure experiences. Gemtek's core business model is to provide fully funded installation, hardware and complete charge point management, through agreed terms that develop a successful partnership.

Figure 4: EV Charging station for RAC Pemberton site

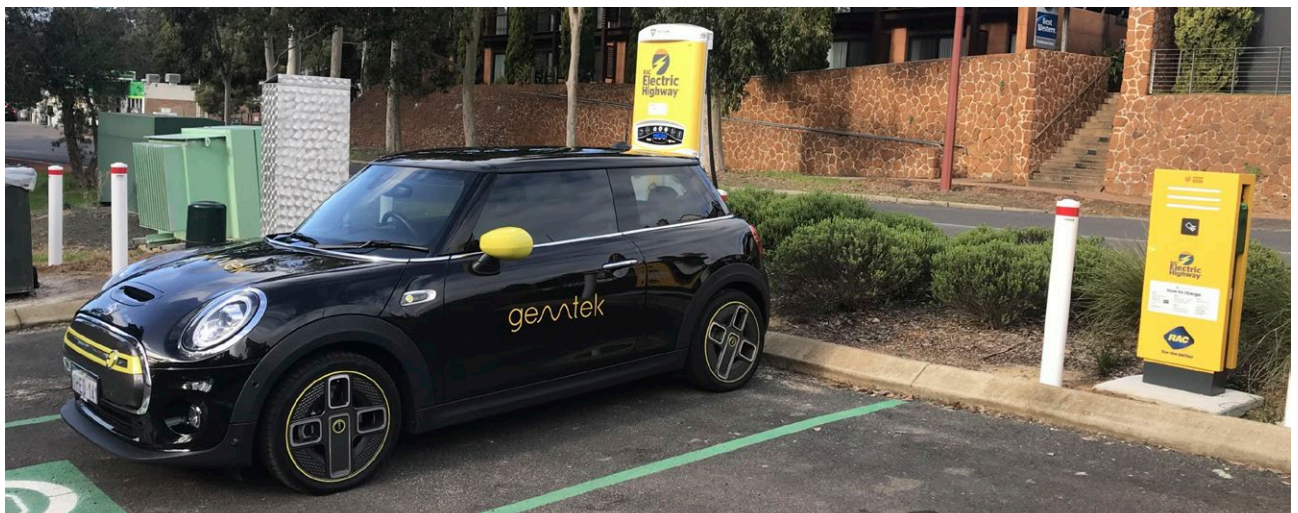
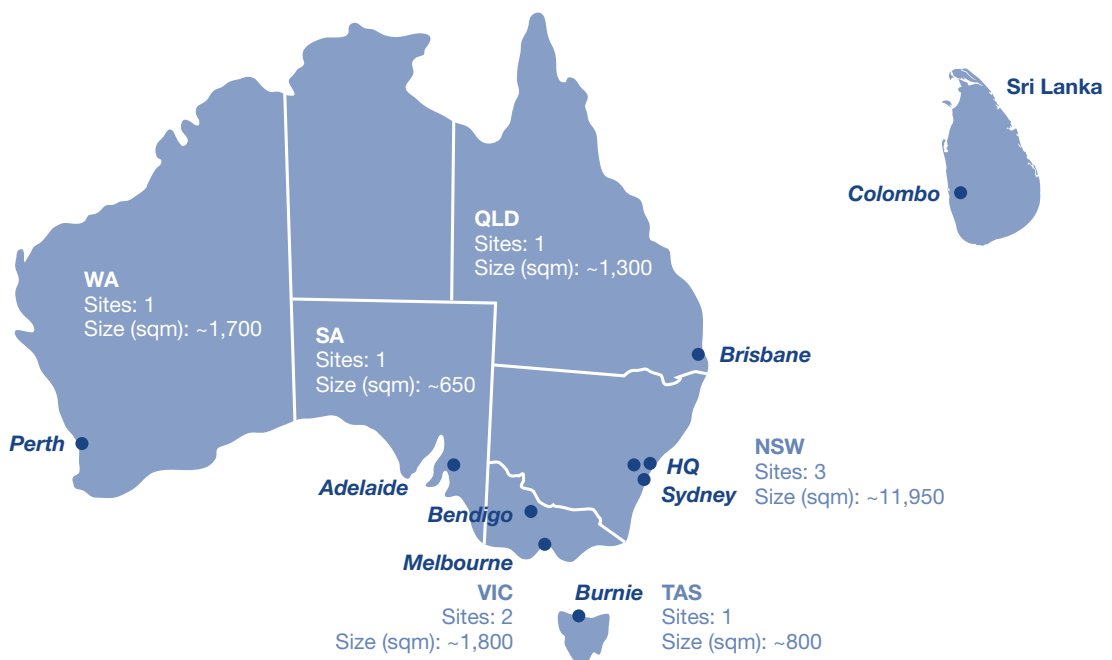


Figure 5: IPD Group corporate and branding structure



IPD operates a total of ten leased offices and warehouses with its headquarters located in Wetherill Park, Sydney.

Figure 6: IPD Group offices and warehouses



Workforce

As at the end of FY22 IPD Group had a workforce of approximately 456 people, with approximately a third of our workforce operating from Sri Lanka.

Our supply chain

IPD is exposed to industries, with end-users in construction, infrastructure, resources, water and waste-water, power utilities, and tourism and hospitality. IPD’s role in the electrical infrastructure products supply chain is outlined in Figure 7

Figure 7: Australian electrical market supply chain



As at 30 June 2022, IPD was distributing products for over 30 supply partners. Supply partners are typically global equipment and technology manufacturers who have entered into agreements with IPD to distribute particular products in specific geographic markets. IPD strives to establish strong and long-lasting relationships with its supply partners, with the top 10 supply partners by FY22 pro forma revenue having an average tenure with IPD of more than 16 years.

Identifying and addressing risk – Employees

IPD Group takes its employment compliance obligations seriously. IPD Group has robust policies and processes in place to ensure compliance with all legislation and industrial instruments. Our staff in Australia are covered by a combination of Federal Awards, the National Employment Standards and the Fair Work Act. Our staff in Sri-Lanka are covered by the Shop and Office Employees (Regulation of Employment and Remuneration) Act.

IPD Group conducts periodic audits to ensure compliance with all applicable industrial instruments and has a comprehensive suite of company policies which are regularly reviewed and updated. All staff receive training on applicable policies.

Identifying and addressing risk – Supply chain

IPD Group prides itself in maintaining long term, trusting relationships with suppliers who have strong reputations, ethics and reliable business practices. Following an initial review of its supply chain, IPD Group has identified and acknowledges the potential for modern slavery in certain higher risk geographies.

Of all IPD Group purchases made in 2022, 6% were sourced locally from Australia. 92% were identified as being sourced from low-risk countries with the remaining 2% from medium-risk countries. 0% of purchases were sourced from high-risk countries. While IPD Group has not identified any incidents or material risks of modern slavery in its supply chain, it takes its responsibilities and obligations seriously. IPD Group will continue to refine and strengthen its supply chain policies and processes, refine, and improve staff risk management training and continue to conduct its annual Supplier Assurance of Ethical Sourcing of Labour audit of suppliers depending on risk profile. IPD Group implemented a Modern Slavery Policy in September 2020 which informs suppliers, business partners, contractors, consultants, and other third-party representatives (“Supply Chain Partners”) and employees of IPD Group Limited about our approach and their obligations in relation to prevention of modern slavery within our business and supply chain. It is our ongoing expectation that all employees and Supply Chain Partners adhere to this policy.

Assessing effectiveness of actions

IPD Group recognises that tackling the risk of modern slavery in supply chains will take ongoing commitment, time and resources and requires awareness and ongoing education of all stakeholders.

IPD Group will conduct ongoing risk assessments using a risk assessment matrix to determine whether our suppliers are becoming more or less effective at reducing risk of modern slavery in their supply chain. Regular reviews of contractual documents will be made to ensure they specifically nominate prohibition of modern slavery inline with this statement.

Modern slavery risks are included on the company’s corporate risk register, maintaining frequent oversight on modern slavery risks by IPD Groups senior management, executives, and company directors,

Consultation

IPD Group is committed to engaging with suppliers and working alongside them to ensure that standards relating to modern slavery are improved. IPD Group expects all organisations who have, or seek to have, a business relationship with IPD Group will familiarise themselves with this statement. IPD Group will only do business with those who are fully compliant or actively working towards compliance with this statement.

Reporting a breach

In line with IPD Group’s Whistleblower Protection Policy, suspected modern slavery practices or concerns can be reported anonymously via several channels.

IPD Group will record formal or anonymous reports of breaches and assess the appropriate course of action in relation to the certainty of the breach and further investigation.

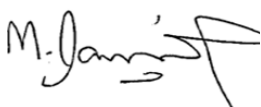
Process of consultation with any entities the reporting entity owns or controls

All control measures, risk assessments, policy settings or auditing processes apply to all subsidiaries of IPD Group.

Review

IPD Group’s Board will review and update this Statement and its supporting policies and procedures annually.

Signed on behalf of the Board



Michael Sainsbury
Executive Director and CEO