

BSA LIMITED ABN 50 088 412 748

Modern Slavery Statement – FY23

[Explanatory note: The following are the 7 mandatory criteria on which BSA must report. They are annotated alongside sections below.

1. *identify the reporting entity*
2. *describe the reporting entity's structure, operations and supply chains*
3. *describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls*
4. *describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes*
5. *describe how the reporting entity assesses the effectiveness of these actions*
6. *describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement), and*
7. *provide any other relevant information.]*

SUBSTANTIVELY

(1) This fourth Modern Slavery Statement (“4MSS” or “Statement”) is filed by BSA Limited ACN 088 412 748 (“BSA”) for itself and its Subsidiaries (defined below) in compliance with its obligations under the Modern Slavery Act 2018 (Cwlth) (“the Act”) and covers the period ending 30 June 2023 (“FY23”). It describes developments since the filing of BSA’s third Modern Slavery Statement (“3MSS”) filed with Australian Border Force on 23 December 2022.

This Statement was approved under section 14(2)(d)(ii) of the Act by the board of BSA Limited on 21 December 2023 and the Joint Chief Executive Officers (“Jt CEOs”), Arno Becker and Richard Bartley, were authorised to sign it and file it with Australian Border Force.

OUR STRUCTURE AND OPERATIONS

(2) BSA remains a technical services contracting company listed on the Australian Securities Exchange (“ASX”) with the ticker code “BSA”. As at 30 June 2023, it was the ultimate holding company of the group of wholly-owned and controlled companies shown in Annexures 1 and listed in Annexure 2 (“the Subsidiaries”), noting that after two corporate disposals (“the Disposals”):

- 1 of the “APS Maintain” business, completing on 3 February 2023; and
- 2 of the “Fire Build” business based in Queensland, completing 16 June 2023,

there are fewer Subsidiaries than reported in 3MSS.

(6) The directors of each Subsidiary are as set out in Annexure 2, and it will be noted that each Subsidiary includes a joint CEO as one of its directors. The Secretary of each Subsidiary, Arno Becker, is also the Secretary of BSA.

The Jt CEOs attend all Board meetings of BSA Limited and consultation between the directors of BSA Limited and the Jt CEOs (on behalf of the Subsidiaries) can thus occur at those Board meetings. This Statement has been considered by the Boards of each Subsidiary who were consulted as to its contents. The Boards of all Subsidiaries approved the Statement on 18 December 2023. The Jt CEOs are charged with ensuring that instructions by the Board of BSA are implemented by BSA's management within the operations of the Subsidiaries as part of the operational structure outlined below. As at 31 October 2023 BSA engaged 336 employees split between its "Continuing Operations" (236) and "Discontinued Operations" (46) (described below), and Corporate function (54).

(2) BSA's operations have slimmed down and consist of:

1 "Continuing Operations" (previously "Communications and Utility Infrastructure" ("CUI")): providing - on a national basis - strategic advice, design, implementation, operations and maintenance services, specialising in telecommunications networks and technologies. Continuing Operations provides services to the telecommunications, subscription television and utility industries. These services include the delivery of bundled services over fixed line multi-technology networks, the installation of subscription television and the installation of smart meters. Continuing Operations plans to develop its installation of electric vehicle charging stations in future years.

2 "Discontinued Operations" (otherwise "Advanced Property Solutions Fire Build"): this NSW-based, fire detection and suppression business is classified by BSA as 'an asset held for sale'.

(3) **THE RISK OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS**

In its assessment of modern slavery risks as at 30 June 2023, BSA has tried to retain its consistent approach to assessing and managing risk across its business.

During FY23, BSA took significant steps to seek to assess and mitigate its modern slavery risk and believes the risk has lessened somewhat. Whilst BSA has improved its maturity with regard to appreciation and mitigation of the risk during the period, BSA accepts that further improvement is still required moving forward. The Disposals were the result of efforts to improve BSA's financial position and had the ancillary benefit of reducing the number of BSA's suppliers and subcontractors to the overall business.

BSA has a relatively flat management structure and therefore we have attempted to optimise the use of its available resources in seeking to work with other stakeholders (including subcontractors and suppliers) to maximise positive change.

BSA remains a contracting business supplying services to its customers and incorporating goods and services from other suppliers, both locally and internationally. BSA has enjoyed a long relationship with many of these, but understands that there is still a risk that - despite our mitigating activities (see below) - our operations may be supported by supply chains which include labour provided by those who have been coerced, exploited or otherwise deprived of their basic freedoms.

BSA remains an Australian business with operations confined to Australia. The vast majority of our immediate suppliers with whom BSA trades are based in Australia or have registered Australian subsidiary businesses. The logic of using Australian-based suppliers was described in earlier Modern Slavery Statements filed by BSA and remains: BSA leverages Australia trading and employment laws to ensure modern slavery practices are minimised in our immediate supply chains.

Our immediate suppliers can still be defined by 3 categories:

- i) Direct Goods: Direct Suppliers of products that are used to complete BSA's contracted work. These include cables, tools, electrical consumables, , pipes, fire sensors, safety equipment etc. BSA still receives "free-issue" goods from some customers which it subsequently uses to provide the services. BSA has no control over how those goods are procured, or any other element of that supply chain. Accordingly, we have excluded those free-issue goods from our analysis. In support of that decision we recognise that those customers providing free-issue goods:
 - i. have large revenues; and
 - ii. will themselves have discharged their own modern slavery obligations.

Consequently, we continue to consider the risk of modern slavery with regard to free-issue goods as low.

- ii) Indirect Goods and Services: Indirect suppliers of products and services that support BSA's contracted work indirectly. These include telecommunication providers, IT and office equipment, safety training services etc. and those who assist in the management and support of BSA offices and facilities.
- iii) Direct Labour Hire: Subcontractors who provide services to fulfil BSA's contractual obligations for contracted work. These include sole traders, third party labour hire companies, and Australian businesses employing a skilled workforce with relevant industry expertise.

We expand on these three categories as follows:

Direct Goods:

These include cables, tools, electrical consumables, pipes, fire sensors, safety equipment etc. and are procured directly from suppliers by BSA to complete contracted work. They may be manufactured in Australia and obtained directly from these manufacturers, or may be procured indirectly from other manufacturers through our immediate suppliers. BSA recognises that there is increased risk of human rights abuses where BSA does not have a clear line of sight over who is manufacturing the end product. (For example: BSA has identified that a significant portion of its consumables are manufactured in South East Asia and present a risk of modern slavery.)

Indirect Goods and Services:

BSA still procures some indirect goods and services, largely through large, well-governed and publicly-listed companies which are (because of their turnovers)

themselves subject to anti-modern slavery legislation, declarations and practices. Examples include those who provide BSA with telecommunication services, IT and office equipment, safety training services etc. BSA has reviewed a number of their anti-slavery statements and those reviewed indicate compliance with the law. Additionally, they appear well-equipped to mitigate those risks in their own business practices and supply chains.

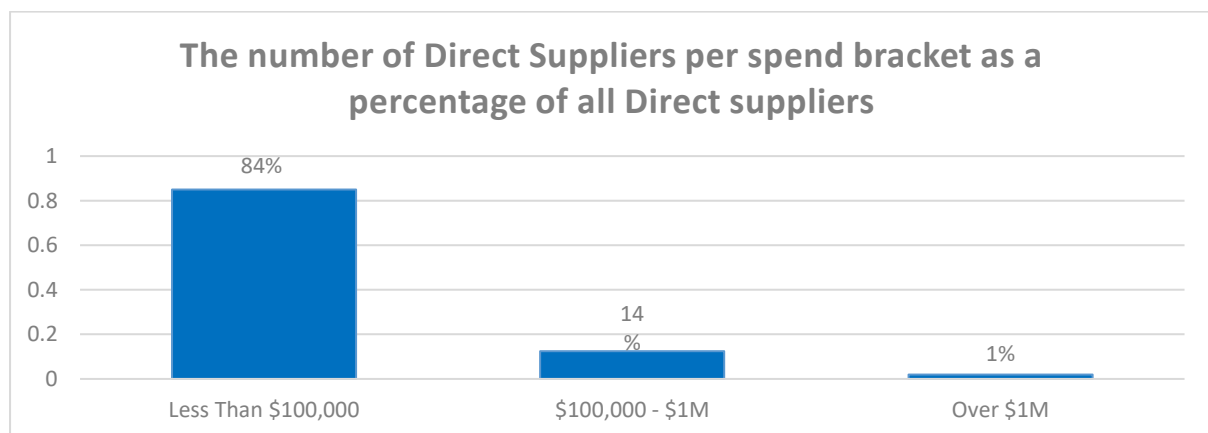
Direct Labour Hire:

Although BSA has a large sub-contract labour force, we do not believe that the suppliers we contract with directly (“Primes”) present a significant risk of “modern slavery“. An audit within part of the Continuing Operations business was conducted during FY22 which is described more below, but we will continue to interrogate our assumptions and we accept that we need to check continually that the supply chains of those subcontractors and suppliers do not themselves include modern slavery suppliers.

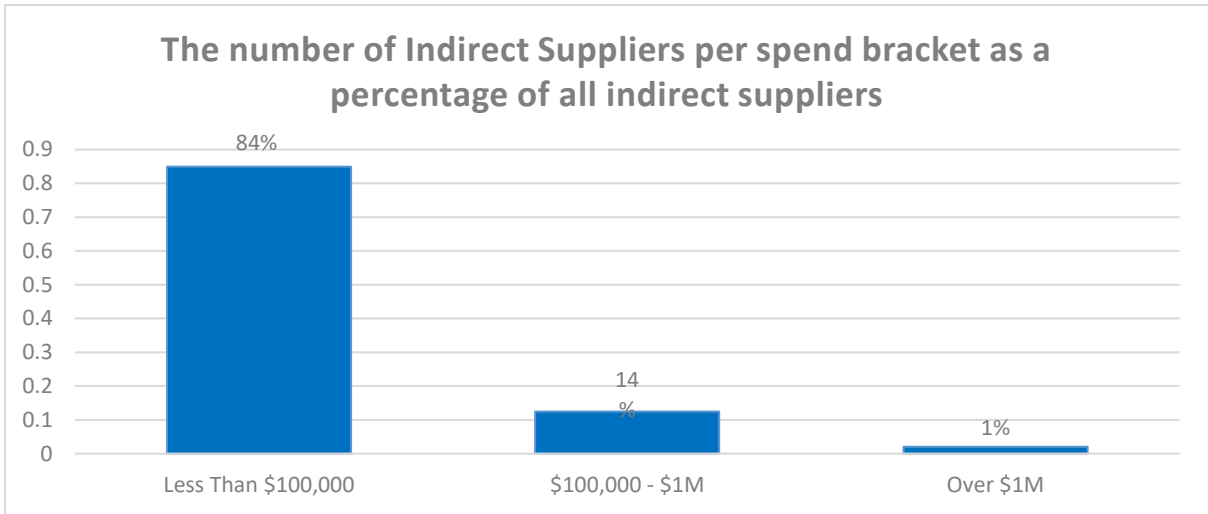
(4) OUR ASSESSMENT OF THE RISKS

As at 30 June 2023, BSA's financial records (in its Pronto database) indicate that during the FY23, there has been a reduction of about 12% in the number of suppliers and subcontractors to 2750. In part, this is a result of the Disposals – 32% of those suppliers or subcontractors considered “active’ by BSA were supplying exclusively to those APS businesses sold. After the transition of the APS business was finalised in October 2023 BSA will have c2,000 suppliers and subcontractors remaining (c1,600 in our Continuing Operations and c400 in our Discontinued Operations).

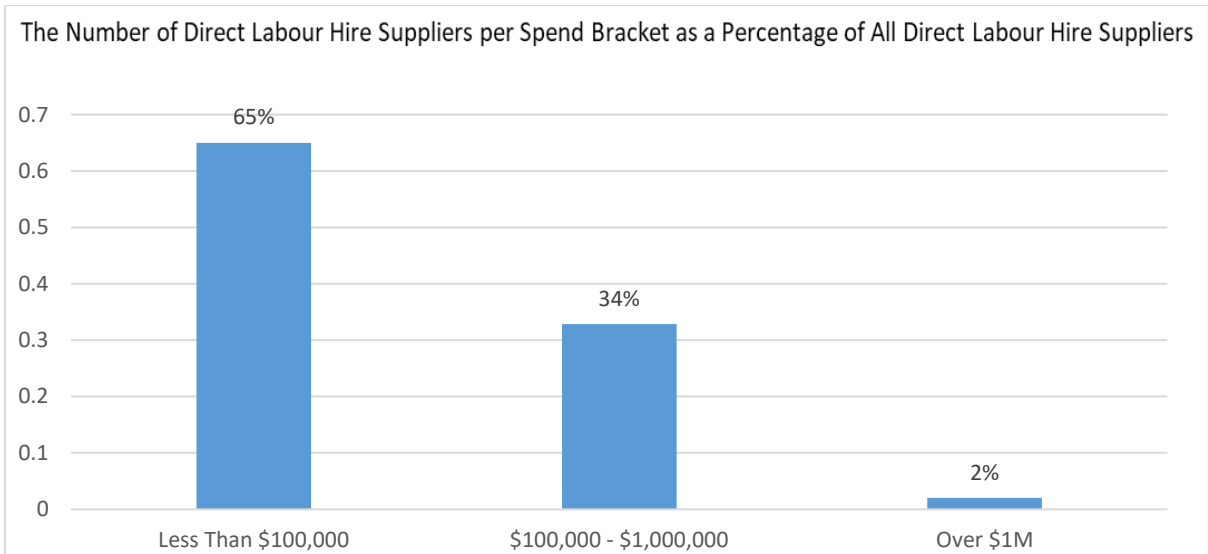
The suppliers as at 30 June 2023 have been re-analysed and, again, prioritised by spend characteristics. Graphs 1, 2 and 3 show the distribution of the spend per supplier against the number of all such suppliers for that type of supply i.e. Direct Goods, Indirect Goods & Services or Direct Labour Hire. The Graphs are little changed from 3MSS.



Graph 1 Direct Goods



Graph 2 Indirect Goods & Services



Graph 3 Direct Labour Hire

In considering suppliers of Direct Goods (Graph 1), there remains a very large number of suppliers supplying goods worth less than \$100,000 per year. The percentage has decreased slightly from 86% (3MSS) to 84% in 4MSS, continuing a slight downward trend. That trend is reflected in the total of all such suppliers shown by the following table:

FY		Category	Value	# of Suppliers	Supplier reduction change FY 22-23
FY21	("2MSS")	Direct LH and SC	\$ 226,254,358	2243	
FY22	("3MSS")	Direct LH and SC	\$ 287,443,286	2114	
FY23	("4MSS")	Direct LH and SC	\$ 247,845,429	1957	-7.4%

Consequently, as at 30 June 2023 and indeed currently, there remains the risk that group includes unsophisticated suppliers sourcing goods from within supply chains with significant modern slavery risk, although – for BSA – this risk has decreased very slightly with the downward shift in the proportion of this size of supplier. This risk also applies for those providers supplying between \$100,000 and \$1 million per year, although there has been a slight increase in these (but a slight reduction in very large suppliers) which should encourage BSA's procurement strategy to consolidate its supply chain. Successful implementation of that strategy should allow BSA to concentrate its future analysis on working with larger suppliers and that concentration of effort is likely to be more productive in eliminating modern slavery from BSA's supply chain.

BSA's suppliers providing indirect goods and services (Graph 2) tend to be larger suppliers subject to the "modern slavery" reporting regime. Their own work in assessing and mitigating the modern slavery risk likely results in a lower risk to BSA since these suppliers are unlikely to tolerate modern slavery in their own supply chains. Consequently, BSA has not focussed on these. BSA intends to re-assess those suppliers when renewing or re-tendering their supply contracts. It is noteworthy, however, that BSA's concentration efforts have reaped results here with a 19% reduction in the number of such suppliers overall as the following table indicates:

FY		Category	Value	# of Suppliers	Supplier reduction change FY 22-23
FY21	("2MSS")	Indirect	\$ 32,803,238	414	
FY22	("3MSS")	Indirect	\$ 33,602,721	338	
FY23	("4MSS")	Indirect	\$ 29,663,977	275	-19%

BSA's Direct Labour Hire suppliers (Graph 3) receiving less than \$100,000 remain likely to be unincorporated sole traders or those traders who have incorporated, but remain very small labour providers. BSA believes these are unlikely to employ others: the risk they do not pay their staff the statutorily required wage is assessed as low. They likely have no staff at all.

Given that the composition of the Direct Labour suppliers has not shifted markedly during FY23 (see table below):

	Less than \$100k	\$100k - \$1M	Over \$1M
3MSS	65%	33%	2%
4MSS	65%	34%	2%

Direct Labour Hire: the proportion of supplier spend bracket compared

with more labour being provided to BSA by proportionately more, larger subcontractors (with revenues greater than \$100,000) BSA has interpreted this by reference to the overall reduction in all Direct Labour suppliers as shown in the Table below:

FY		Category	Value	# of Suppliers	Supplier reduction change FY 22-23
FY21	("2MSS")	Direct	\$ 55,928,887	837	
FY22	("3MSS")	Direct	\$ 58,700,325	686	
FY23	("4MSS")	Direct	\$ 53,965,357	559	-19%

and suggests that the previous reduction in the use of very small subcontractors (i.e. those receiving less than \$100,000) should not be seen as problematic since earlier audits of its nbn subcontractors suggested that subcontract technicians were receiving greater revenues. This co-incided with an increase of 7% in FY23 of telecommunication technicians choosing to contract directly with BSA rather than providing services through an intermediate ("Prime") contractor. These steps suggested that the risk of modern slavery in the labour supply element of BSA's supply chain should be reducing.

As before, BSA remains of the opinion that it should concentrate its attention on:

- 1 Direct Goods suppliers receiving more than \$100k in revenue from BSA; and
- 2 Direct Labour Hire suppliers receiving more than \$100k

because

- 1 Direct Labour: Labour hire and subcontracting may include unfair conditions for workers. Migrant workers and sole traders are often at risk of exploitation. BSA has sought (and will seek) assurances from its labour providers as to their processes for the protection of their workers; and
- 2 Direct Goods: these suppliers remain subject to considerable pricing and margin pressures. Consequently, they may source goods from overseas manufacturers in low labour cost jurisdictions. BSA expects these jurisdictions are those most likely to encourage indentured or child labour.

Of the two types of suppliers, BSA continues to assess the risk of modern slavery among its direct labour suppliers as being lower. Labour subcontractors are relatively numerous and form an essential part of BSA's operating model. BSA retains its experienced and proficient "compliance team", who assess most of such would-be subcontractors before they are "on-boarded", including for their modern slavery compliance.

Many subcontractors have provided services to BSA for many years. Those subcontractors retain autonomy in the running of their businesses, but BSA is very familiar with their business models, service delivery and personnel. BSA's strong safety focus requires a relatively large H&S team who constantly conduct safety audits at work sites. Those audits require regular interaction with subcontract staff, and that interaction facilitates early identification by BSA of any likely improper engagement of subcontract workers.

The position with regard to BSA's Direct Goods suppliers is different. Many of the smaller suppliers retain commercially-confidential supply chains, so as to protect

- (i) them against disintermediation, and
- (ii) their margins in the face of stiff competition.

That opacity makes it difficult for BSA to assess the risk of modern slavery in these suppliers' supply chains. Steps taken by BSA to mitigate this risk are described in the next section.

(4) **WHAT MITIGATIONS HAVE WE TAKEN?**

BSA retains its multi-channel approach to tackling the risk of modern slavery in its supply chain:

- 1 BSA's People team has instigated a regime of 'refresher training' for BSA's employees every 2 years, during their continued employment. Employees who thus undertook initial training in October/November 2021 have been required to undertake "booster" refresher training since 1 September 2023.
- 2 The same on-line Modern Slavery training is mandatory as part of their induction for all new employees who onboard as recruits, and compliance with this requirement is monitored and tracked by the recruiting business. Continuing Operations' subcontract technicians delivering telecoms services are expected to undertake the same on-line training while modern slavery training should be undertaken at early-morning 'toolbox' training sessions across the Discontinued Operations.
- 3 Most subcontractors are engaged under written contracts including specific contractual promises by the subcontractor to comply with the law as to modern slavery and to take steps to eliminate it.
- 4 The Continuing Operations engages some labour using labour hire companies. No such labour hire company is considered compliant or on-boarded to supply BSA with labour unless - as part of the compliance process - its management have completed the online Modern Slavery Training.
- 5 BSA's full-time Procurement professional supervises the assessment of "modern slavery risk" as part of BSA's "due diligence" approach before the engagement of all new suppliers and has redoubled the Group's concentration on continuing suppliers, including as follows:
 - a. In March 2023, BSA circulated to 932 subcontractors (working on BSA's nbn platform) the nbn code of conduct and required that these read and acknowledge receipt of this statement of modern slavery requirements: 99% complied;

- b. from November 2022, most purchase orders issued by the BSA group were issued on revised terms including a condition that all suppliers must comply with BSA's corporate social responsibility requirements including as to the elimination of modern slavery from their own supply chains;
- c. the BSA Code of Conduct was refreshed in November 2023 and circulated to all employees and BSA's contractors.

(5) ARE THEY EFFECTIVE?

Given earlier feedback, BSA remains convinced that the training is effective and of real value in raising the workforce's awareness of the prevalence of modern slavery, and the risks it presents to companies like BSA .

As at the date of this 4MSS, BSA still has not received – whether through its management chain or through its 'whistleblower hotline' - any complaint (raised by an employee of BSA or the staff of a supplier or subcontractor) raising concerns about their employer and the complainant's working conditions.

It may be recalled that BSA was assessed during FY22 by the external Ecovadis organisation and assessed as "Silver " status. The Ecovadis survey included its "Labour and Human Rights" section with 40 assessment criteria (including as to BSA's Human Rights Policy and its specific training on child labour, forced labour and human trafficking; and its general awareness training), with BSA being assessed as "strong" against 33 of those criteria. That "Ecovadis" assessment is being refreshed currently and will likely be completed in January 2024.

BSA understands the need to be ever vigilant to the Modern Slavery risks. For instance, recently BSA completed the technology transition of the Catalyst One subsidiary it acquired in 2021. A supplier reporting gap was picked up during this exercise which highlighted c100 suppliers that needed to be assessed for Modern Slavery risk. Management is pleased to report that it immediately jumped to close this gap and have now assessed these suppliers.

Catalyst One predominantly operates with suppliers in Australia providing professional services in all areas of town planning who are specialists in their field along with Engineering 3rd Party designers and consultants.

On our internal assessment we identified 89% of their supply chain was no to low risk based on the availability of their Modern Slavery Statements and the nature of the services the suppliers and their employees provided to Catalyst one. However, where we did identify a small portion of suppliers, 7% based on their second-tier geographical reach and deep supply chains we sought a request to complete our modern slavery survey which assesses their workforce, suppliers, Modern Slavery compliance and Modern Slavery Governance.

The top-level results indicated that they did not fall into the High-risk category but there was need for improvement. Further analysis of the data showed that their workforce was of low risk, based on the employment model and Modern Slavery

compliance, but one supplier was highlighted as needing attention regarding their Modern Slavery Governance results with whom we will be engaging further.

In summary Improvements are required on continuing the work undertaken with their own suppliers and focus on governance is needed.

Of the remaining 4% of Australian owned companies that have a corporate charter referencing governance but not specifically referencing modern slavery on their public websites will be engaged at the beginning of 2024 for more information on their Modern Slavery program.

The Board understands that the distinction between BSA's use of overseas suppliers can be subtle. For instance, BSA uses an Indian -based payment reconciliation company, and also uses a Philippines recruitment agency, but it has previously conducted due diligence into the use of these and satisfied itself that there is no risk of modern slavery in their own supply chains. However it is expected that all of BSA's management and staff develop the necessary vigilance to routinely consider the risk before engaging any supplier.

(7) WHAT WILL WE DO NEXT?

BSA will continue to develop its strategy to improve the BSA supply chain as a whole; including by:

- a. Assessing all new suppliers before on-boarding them;
- b. Re-assessing existing suppliers regularly on a desk-top basis; and
- c. Auditing in a focussed way those assessed as unsatisfactory; and
- d. Reducing BSA's reliance on larger numbers of smaller suppliers.

As mentioned above, since the Discontinued Operations' business is 'held for sale' and such a sale is expected in the short term, it is likely that by 30 June 2024 it (and its many suppliers) will no longer form part of the BSA environment and this will, again, allow a further simplified and stream-lined supply chain. That will enable the business that remains to concentrate more on the residual suppliers.

BSA prides itself on its Health & Safety performance across its operations. It is hoped that the day to day vigilant monitoring of working conditions and the welfare of BSA workers on site by BSA's supervisors and work, health and safety team will be maintained, thus mitigating the modern slavery risk for workers delivering customer-facing services.

Dated: 21 December 2023



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Arno Becker

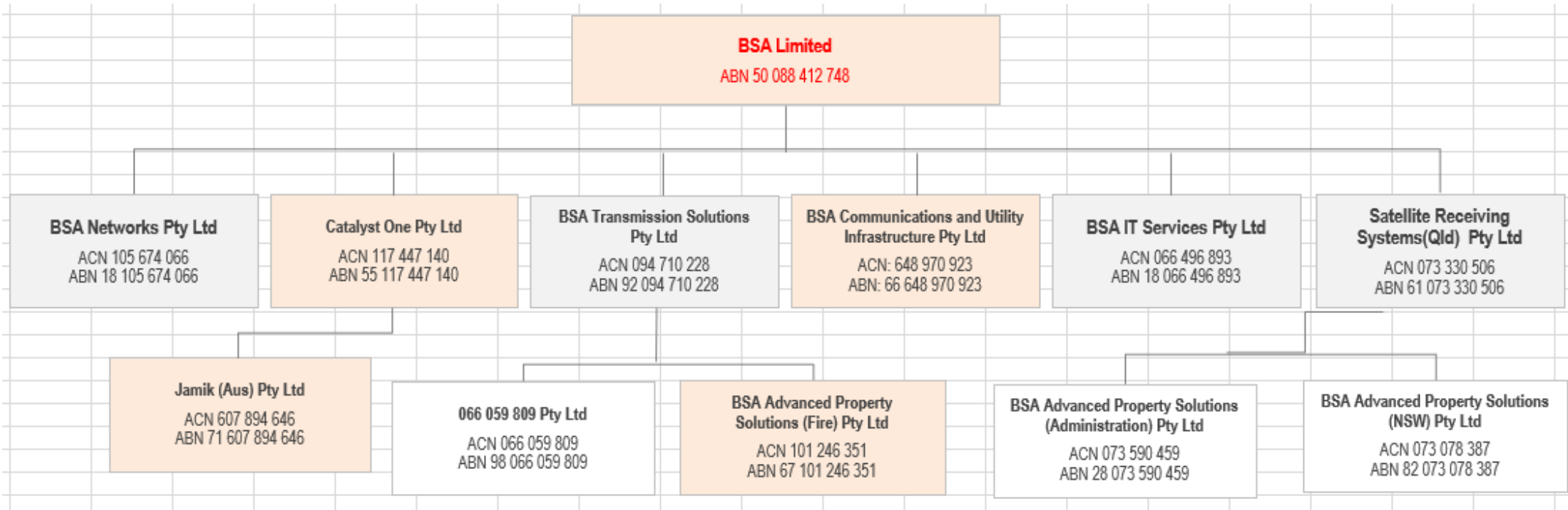
**Joint Chief Executive Officer
for BSA Limited**



.....
Richard Bartley

**Joint Chief Executive Officer
for BSA Limited**

ANNEXURE 1



ANNEXURE 2: BSA subsidiaries and directors

BSA Subsidiary	ACN	Directors
Catalyst One Pty Ltd	117 447 140	Richard Bartley, Frank Vaccher
Jamik (Aus) Pty Ltd	607 894 646	Richard Bartley
BSA Transmission Solutions Pty Ltd	094 710 228	Arno Becker
066 059 809 Pty Ltd	066 059 809	Arno Becker
BSA IT Services Pty Limited	066 496 893	Arno Becker
BSA Advanced Property Solutions (NSW) Pty Ltd	073 078 387	Arno Becker
Satellite Receiving Systems (Qld) Pty Ltd	073 330 506	Arno Becker
BSA Networks Pty Ltd	105 674 066	Arno Becker
BSA Communications and Utility Infrastructure Pty Ltd	648 970 923	Arno Becker, Peter Schmiedel
BSA Advanced Property Solutions (Administration) Pty Ltd	073 590 459	Arno Becker
BSA Advanced Property Solutions (Fire) Pty Ltd	101 246 351	Arno Becker