



Modern Slavery Policy

Issue Date: June 2022

Status: New Policy

1. Purpose

SGH Ltd ("SGH") plays an important role in respecting and promoting human rights and eradicating modern slavery. We recognise that modern slavery¹ is a complex problem, best tackled by collective commitment and responsibility to bring it to an end and we are committed to working with all our stakeholders to fulfil this common goal.

If the policy is breached, we will act as quickly as practicable to remedy our adverse impacts on workers, individuals or communities and we will engage directly with affected stakeholders.

The Australian Modern Slavery Act 2018 took effect on 1 January 2019 and requires SGH to make annual public reports (Modern Slavery Statements) on the actions of SGH and its subsidiaries to address modern slavery risks in their operations and supply chains.

The purpose of this Policy is to ensure that the SGH Group of companies:

- is compliant with local, national and other applicable laws and regulations in the areas in which the subsidiaries operate;
- sources products and services from suppliers² in accordance with legal obligations and community expectations while working with suppliers to improve their social and environmental practices; and
- act to prevent, mitigate and where appropriate, remedy modern slavery in their operations³ and supply chains⁴.

2. Scope

The principles of this policy must be complied with or incorporated into policies within the subsidiaries or Corporate Office (as applicable). This policy should be read in conjunction with the SGH Code of Conduct, Employee Conduct Guidelines and the SGH Fraud and Corruption Policy.

3. Policy

- a) Each business must adopt policies and procedures to ensure that it is addressing modern slavery and ethical sourcing risks in its operations and supply chains in a way that is appropriate for the relevant business.
- b) Each business must, as far as practicable, include in its operational and supplier contract terms, requirements that suppliers comply with all local, national and other applicable laws and regulations in the areas in which they operate.
- c) Each business must, as far as practicable, use in its operational and supplier contract terms requirements that suppliers:
 - a. comply with the Minimum Standards set out in Annexure A (Minimum Standards); and
 - b. provide the business with rights of termination if the supplier is unable or unwilling to work towards full compliance with the Minimum Standards.

¹ Modern slavery includes the crimes of human trafficking, slavery and slavery like practices such as servitude, forced labour, forced or servile marriage, the sale and exploitation of children, and debt bondage.

² Suppliers are defined as factories, supplier sites and providers of goods or services to SGH and its subsidiaries.

³ Operations are defined as activity controlled by SGH and its subsidiaries.

⁴ Supply chains is defined as suppliers and service providers to SGH and its subsidiaries.

- d) As far as practicable, suppliers must be:
 - a. encouraged to exceed the Minimum Standards, and promote best practice and continuous improvement; and
 - b. monitored for compliance with the Minimum Standards through supplier assessment processes as appropriate for the business taking into account all relevant risk factors such as country risk and product risk.
- e) Each business must monitor and review the effectiveness of the policies and procedures referred to in paragraph (a) above, taking into account their suitability, adequacy and effectiveness as per the risk assessment.
- f) Each business must implement an approach to modern slavery risk management in accordance with the guidelines in Annexure B.

4. Framework

The Group's framework for addressing Modern Slavery risks is outlined below:

- a) Governance – review of risk management framework and key policies. Questions on modern slavery are incorporated into a bi-annual questionnaire circulated to senior management across the Group to identify any areas of concern.
- b) Risk assessment – consideration of key risk areas and classification to allow higher risk areas to be targeted and mitigated.
- c) Process – embedding modern slavery considerations into supplier negotiations and agreements when procuring goods and services and stakeholder engagement. 4. Training – education and training of employees to raise awareness on modern slavery and mechanisms for reporting or escalating any grievances (eg whistleblower options).
- d) Monitoring, reporting and continuous improvement – escalation of any areas of concern through to Group Executives and/or the Board as required. Assessing the effectiveness of processes to identify and minimise the risk of modern slavery. Improving on current practices and sharing of best-practice ideas across the Group.

5. Responsibility

This policy cannot be amended without approval of the SGH Board. The SGH Board is responsible for oversight of the company's ethical sourcing and modern slavery commitments and will review this policy regularly to ensure it continues to evolve and reflect community expectations.

Annexure A – Minimum Standards expected of suppliers

Minimum Standards

No forced or bonded labour	<p>Employment shall be freely chosen. Suppliers shall:</p> <ul style="list-style-type: none">(a) not use any type of forced labour (any work or service extracted from any person under the menace of any penalty, which work has not been freely chosen by the person), bonded labour (work which is not for compensation received by the worker, but to repay a debt, which is often incurred by another person offering the worker's labour in exchange) or indentured labour (in which an employer forbids workers from leaving employment at the worker's discretion);(b) respect the freedom of movement of their workers and not restrict their movement by controlling identity papers, holding money deposits or taking any other action to prevent workers from terminating their employment; and(c) ensure that workers are free to leave their employer after reasonable notice.
No child labour	<p>Suppliers shall comply with the minimum legal working age in the country in question or in the absence of such law, by the International Labour Organisation (ILO) Convention 138. Suppliers must be able to verify the age of all employees to ensure compliance. Suppliers must accept the principles of remediation of child and underage workers, and where such labour is discovered suppliers must establish and implement appropriate remediation for such workers and introduce effective systems to prevent the use of child labour in the future.</p>
Wages, benefits, and transparent record keeping	<p>Suppliers must comply at a minimum with all laws regulating local wages, overtime compensation and legally mandated benefits. Record keeping must be accurate and transparent. Workers must be provided with written and understandable information about their employment conditions before they enter employment and about their wages for each pay period. Deductions from wages for disciplinary measures or any deductions from wages not provided for by law shall not occur without the express permission of the worker concerned. All disciplinary measures should be recorded.</p>
Working hours	<p>Working hours must comply with applicable local laws. Workers should not be required to work more than the maximum hours per week as stipulated by local laws or in the absence of such law by the applicable ILO convention. Overtime shall be agreed, shall not be excessive, shall not be requested on a regular basis and shall be compensated as prescribed by applicable local laws.</p>
No discrimination	<p>All conditions of employment must be based on an individual's ability to do the job, not on the basis of personal characteristics, such as gender, ethnic origin, religion, age, disability, personal beliefs, marital status, sexual orientation, union membership or political affiliation. Suppliers must ensure that they provide an environment where their employees can work without distress or interference caused by harassment, discrimination or any other inappropriate workplace behaviour.</p>
No harassment or abuse	<p>Workers shall be treated with dignity and respect. In particular, suppliers will provide a workplace free from harassment, including physical, sexual, verbal or visual behaviour that creates an offensive, hostile or intimidating environment.</p>

Minimum Standards

Freedom of association, grievance mechanisms and recourse	<p>Suppliers shall respect the rights of workers to lawfully associate or not to associate with groups of their choosing, as long as such groups are legal in the country of operation. Workers should have the right to join or form trade unions of their choosing. Suppliers should not interfere with, obstruct or prevent legitimate related activities, such as collective bargaining. Workers are allowed to select worker representatives. Representatives should not be discriminated against and should have regular access to company management or appropriate process in order to address grievances and other issues.</p> <p>Suppliers must have a policy in place for workers to approach management on issues of concern, on their own or through worker representatives, confidentially.</p>
Working conditions	<p>Suppliers shall provide a safe and hygienic working environment that is without risk to health, taking into consideration knowledge of the relevant industry and any specific hazards. Workers shall receive adequate and regular training to perform their jobs in a safe manner. Personal protective equipment and machinery safeguards shall be supplied and workers trained in their use. Where suppliers provide accommodation it shall be clean, safe and meet the basic needs of workers. Workers will have access to clean toilet facilities, clean drinking water and, where appropriate, sanitary facilities for food storage and preparation. Workers have the right to refuse work that is unsafe.</p>
No bribery	<p>Bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, are strictly prohibited, whether given to obtain business or otherwise. Suppliers shall keep accurate records of all payments made and received in cash or in kind, for audit purposes.</p>
Sub-contracting	<p>Where sub-contracting is permitted, suppliers must have adequate processes in place for properly managing sub-contracting to ensure that sub- contractors operate in accordance with this and any applicable business policy and is undertaken strictly in accordance with the contract.</p>
Environmental compliance	<p>Suppliers shall comply with relevant local and national environmental protection laws and will as far as practicable comply with international environmental protection standards.</p>
Migrant workers	<p>Migrant workers shall have the same entitlements as local workers as stipulated by local law. Any commissions and other fees in connection with employment of migrant workers must be covered by the employer. The employer must not require the worker to surrender identification documents. Workers employed through a third-party agent or contractors are the responsibility of the suppliers, and are thus covered by these Minimum Standards.</p>
Hiring and regular employment	<p>Suppliers must provide each worker with a clear, understandable labour contract containing all legally required employment terms, entitlements and conditions. In addition, where possible, suppliers should work towards providing permanent employment for workers and avoid labour-only contracting arrangements, consecutive short-term contracts, excessive piece-work or false apprenticeship schemes to avoid obligations of regular employment to workers.</p>

Annexure B – Modern slavery risk management for each subsidiary

Minimum Standards

Accountability for modern slavery issues, with an identified risk owner	Business acknowledge that they are accountable for addressing modern slavery issues in operations and supplier contracts and will nominate a specified individual or role to be responsible for co-ordinating management of this risk.
Supply chain mapping and risk assessment	Business must assess the risks of modern slavery across their operations. The risk assessment must initially address the modern slavery risks of tier 1 suppliers (being those suppliers that supply goods or services directly to the business) and then assess those suppliers beyond tier 1 who are determined by the business to be high risk.
On-boarding and contracting	Business must perform due diligence on new suppliers to determine their risk level and control procedures in relation to ethical sourcing and modern slavery as appropriate for its business. The business must have a process in place to consider the supplier's ethical sourcing and modern slavery performance during the supplier on-boarding.
Compliance program	Business should assess suppliers through their compliance program to confirm compliance with this policy. The business should involve relevant procurement personnel or external providers trained in considering Modern Slavery when required.
Training	Business must ensure that team members with relevant roles in relation to the policy receive adequate training on the policy and any supporting processes applicable to their role.
Complaints mechanism	Subsidiaries must have an accessible and well-publicised reporting mechanism for concerns or disclosure in relation to modern slavery which allows for confidential and anonymous reporting and provides protection from reprisal. There must be clear processes for investigating and reporting on the issues raised through the reporting mechanism.
Remediation	Business must be committed to working with suppliers to remediate any breaches of this policy.
Stakeholder engagement	Business must have an approach to stakeholder engagement in place.
Review	Business must monitor and annually review the effectiveness of the risk management measures described above.
