



MODERN SLAVERY STATEMENT 2020

REPORTING PERIOD: FY19-20



INTRODUCTION

This is the first Modern Slavery Statement prepared by SX Protective Services Pty Ltd (ACN 132 211 851) and its subsidiaries¹ in compliance with the *Modern Slavery Act 2018* (Cth). It describes the actions taken by SXP² Group to assess and address modern slavery risks in our operations and supply chains for the financial year ending 31 March 2020 (FY19-20).

SXP respects human rights and ethical labor practices. We are committed to maintaining and improving processes to address modern slavery risks in our operations and supply chains. We understand modern slavery describes serious forms of exploitation such as human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage and child labour³.

SXP does not tolerate any form of human rights abuses, including modern slavery in our operations and supply chains. We expect all our employees, subcontractors and suppliers to uphold these values and ethical labour practices.

ABOUT SXP GROUP

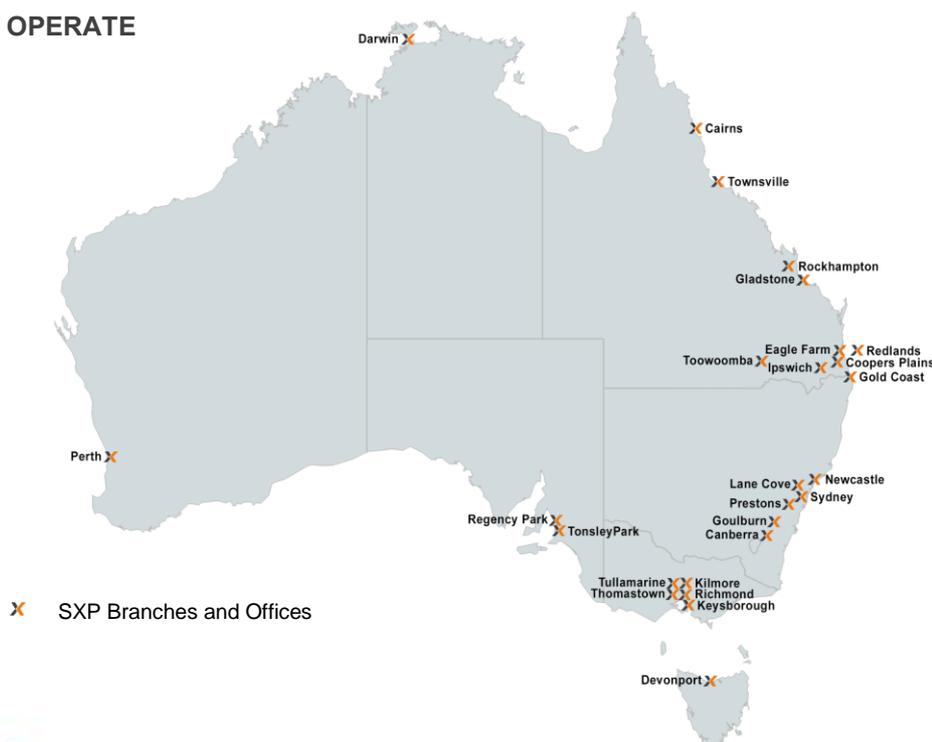
OUR STRUCTURE AND OPERATIONS

SXP is a group of Australian controlled entities, registered and headquartered in New South Wales. SXP has a national footprint offering a range of security services to local communities, businesses and people, including:

- ✘ Security Patrols
- ✘ Asset Protection, First Line Maintenance and Security Guards
- ✘ Loss Prevention
- ✘ Alarm Monitoring with Rapid Response
- ✘ Risk Advisory Services
- ✘ Electronic Surveillance, CCTV and Perimeter Access Control

As of March 2020, SXP has approximately 800 employees supporting nationwide operations. All employees are based at branches and offices at various locations across Australia.

WHERE WE OPERATE



¹ Southern Cross Protection Pty Ltd ACN 094 077 255; Charter Security Protective Services Pty Ltd ACN 133 958 406; Askara Pty Ltd ACN 082 632 540

² Reference to 'SXP Group', 'SXP', 'we', and 'our' is to SX Protective Services Pty Ltd and its subsidiaries

³ Commonwealth Modern Slavery Act 2018 (Cth) Guidance for Reporting Entities

OUR SUPPLY CHAIN

To assist in the delivery of service and products, SXP engages with a network of subcontractors and suppliers located within Australia. We utilise subcontractors to assist in the delivery of services in regional areas and for surge capacity resourcing. Suppliers are utilised for alarm monitoring and the supply of products used in our electronic surveillance, CCTV and perimeter access control services.

ACTIONS TAKEN TO ASSESS & ADDRESS THE RISKS OF MODERN SLAVERY

ASSESSMENT OF RISK IN OUR OPERATIONS AND SUPPLY CHAIN

SXP has undertaken a risk assessment on our operations and supply chains to determine the risks of modern slavery. The risk assessment found that due to the nature and location of our operations, local laws and protections, and our existing governance framework that the risk of modern slavery practices in our operations and supply chains are low.

SXP's operations are all located within Australia. We have suitable human resource and industrial relations management policies and procedures in place. Our processes include appropriate checks to ensure that employees are over the age of 18, employees have the appropriate rights to work in Australia and are paid in accordance with Fair Work legislation. Managers responsible for the recruitment and management of employees are appropriately skilled and trained to ensure compliance with internal processes and applicable legislation.

SXP's supply chains are all located within Australia. We have suitable contractor and supplier evaluation and management policies and procedures in place. Our evaluation processes include pre-engagement audits to ensure subcontractors and suppliers have appropriate policies and procedures and that they are compliant with applicable legislation. Our evaluation processes and ongoing management ensure only reputable and compliant subcontractors and suppliers are utilised in our operations.

GOVERNANCE AND POLICY FRAMEWORK

SXP is committed to high standards of corporate governance. We have a senior leadership team responsible for human resources, governance, risk and legal compliance. Our senior leaders report to the Managing Director who in turn reports to the Board of Directors. Our board, Managing Director and senior leadership team together through consultation have provided direction and leadership in the development, implementation and management of our modern slavery and governance framework across the group of companies.

SXP has a number of policies and procedures in place to promote ethical and legal business conduct, assist in protecting human rights and reduce the risks of modern slavery in our operations and supply chains. We have implemented and/or revised the following policies and procedures:

- ✘ Code of Conduct Policy
- ✘ Modern Slavery Policy
- ✘ Whistleblower Policy and Procedures
- ✘ Contractor Management Policy and Procedures

Our Code of Conduct Policy outlines our standard of ethics and sets out the conduct and behavior expected of all employees. With regards to modern slavery the primary professional responsibilities of all employees are the protection, preservation and safety of all people; and their respect, assertion and maintenance of the law.

Our Modern Slavery Policy outlines modern slavery practices, our legal obligations, risk management processes, minimum standard of expectations for our subcontractors and suppliers; and provides information for individuals to report breaches. The policy is applicable to all employees, directors, subcontractors, suppliers, consultants and any other third-party representative.

Our Whistleblower Policy and Procedures is noted within our Modern Slavery Policy as the method for reporting breaches. The Whistleblower Policy and Procedures outlines reportable conduct, protections for individuals who disclose wrongdoing, our legal obligations and the means for individuals to make disclosures which include internal and external reporting.

Our Contractor Management Policy and Procedures have been revised to account for identifying and managing modern slavery risks in our supply chain. Specifically, the identification of modern slavery risks in the subcontractor and supplier evaluation process; and the ongoing audit and review of existing subcontractors and suppliers to identify and manage risks of modern slavery.

SXP's Governance, Risk and Compliance team are responsible for identifying, implementing, and managing robust modern slavery risk processes and identifying and managing any identified risks within the supply chain.

SUBCONTRACTOR AND SUPPLIER DUE DILLIGENCE

In FY19-20 period SXP developed an Ethical Sourcing Questionnaire to assist in identifying risks of modern slavery in our supply chain. The distribution and completion of the questionnaire by existing subcontractor and suppliers is being systematically arranged based on subcontractor and supplier categories.

Initial assessments were completed by our primary subcontractors and suppliers that cover approximately 80 percent of our annual subcontractor and supplier expenditure. Further distribution and completion of the questionnaire by remaining subcontractor and suppliers is planned to be arranged over the next two years.

The initial assessments completed identified that these subcontractors and suppliers were considered low risk due to geographical location, local laws and protections, and having adequate policies and procedures in place for the protection of their employees.

Furthermore, SXP has revised its Contractor Management Policy and Procedures to account for the identification of modern slavery risks in the subcontractor and supplier evaluation process; and ongoing management processes. Our evaluation process for prospective subcontractors and suppliers includes a pre-engagement audit to ensure they have suitable policies and procedures, their employees are over the age of 18, have appropriate rights to work in Australia and are paid in accordance with Fair Work legislation. Only subcontractors and suppliers that are compliant with applicable legislation are utilised within our operations. As part of our ongoing subcontractor and supplier management, we undertake periodic audit and review of existing subcontractors and suppliers to ensure ongoing compliance.

In the event modern slavery practices are found in our supply chain, we engage directly with our subcontractor or supplier to remedy the issue. We are committed to working with our subcontractors and suppliers to remedy issues. However, if the issues found are severe or remedy can not be reached our agreements will be terminated and the matter reported appropriately.

TRAINING AND AWARENESS

SXP recognises the importance of being able to identify and address modern slavery risks in our operations and supply chains. We have ensured that our Governance, Risk and Compliance team who are responsible for the management of our modern slavery risk processes have been appropriately trained on:

- ✗ the requirements of the Modern Slavery Act
- ✗ the requirements of our Modern Slavery Policy
- ✗ what is modern slavery and examples of modern slavery
- ✗ the impact modern slavery can have on our operations and supply chains
- ✗ how to identify modern slavery risks
- ✗ what to do in the event modern slavery practices are suspected or detected

SXP plans to continue to raise awareness on modern slavery with further training over the next year. Training is planned to be deployed in a staged approach with priority given to employees in human resource management, operational and contract management, then to the greater workforce with the roll out of a dedicated e-Learning module on Modern Slavery.

WHISTLEBLOWER HOTLINE

In January 2020, SXP's Whistleblower Policy came into effect. The policy outlines the various types of reportable conduct, protections for individuals who disclose wrongdoing, our legal obligations, means for individuals to make disclosures and our investigation processes. The policy was published and made accessible on our workforce communications platform and our company website. Training was also provided to relevant employees, management personnel and employees with direct responsibilities for the oversight and management of the policy.

With the Whistleblower Policy we established our Whistleblower hotline which enables individuals to anonymously report suspected misconduct, including matters related to modern slavery practices. The hotline is managed by an external provider which assists in maintaining anonymity of the whistleblower and communications between SXP and the whistleblower. Any allegations of misconduct received are reviewed, appropriately investigated and where necessary corrective or disciplinary actions undertaken; including, how to prevent further breaches occurring.

ASSESSMENT & EFFECTIVENESS OF OUR ACTIONS

SXP considers the measures undertaken in FY19-20 have been effective thus far in identifying and addressing potential modern slavery risks in our operations and supply chains.

We recognise the importance of continuing monitoring to determine effectiveness and make improvements in our modern slavery processes. Further and future assessment of the effectiveness of our actions will be undertaken by monitoring and analysing:

- ✗ Ethical sourcing questionnaire results
- ✗ Audit and review results
- ✗ Completion rates for training and awareness

The Governance, Risk and Compliance team will be responsible for monitoring and reporting on the effectiveness of our modern slavery processes. These reports will be regularly shared with SXP's senior leadership team with the goal of collaborating on the management of modern slavery risks in the operations and supply chains, and process improvement.

OUR FUTURE COMMITMENTS

SXP recognises the importance of developing our understanding, oversight, and management of modern slavery risks in our operations and supply chains.

Over the coming financial year, we will:

- ✗ Continue to review our subcontractor and supplier arrangements
- ✗ Continue to review and improve policies and procedures
- ✗ Incorporate terms into our subcontractor and supplier agreements which provide assurance that they are aware of and comply with modern slavery obligations
- ✗ Further education and awareness for our workforce

This statement has been approved by the Board of SXP Group.


David Medhurst
Managing Director
SXP Group

23 December 2020