



MODERN SLAVERY STATEMENT 2021

REPORTING PERIOD: FY20-21



INTRODUCTION

This Modern Slavery Statement is made pursuant to section 16 of the Modern Slavery Act 2018 (Cth) jointly on behalf of Southern Cross Protection Pty Ltd (ACN 094 077 255) and its subsidiaries Charter Security Protective Services Pty Ltd (ACN 133 958 406), and Askara Pty Ltd (ACN 082 632 540).

To prepare this joint statement, each reporting entity covered by this statement was activity engaged in the development. This statement describes the actions taken by SXP¹ Group to assess and address modern slavery risks in our operations and supply chains for the financial year ending 31 March 2021 (FY20-21).

ABOUT SXP GROUP

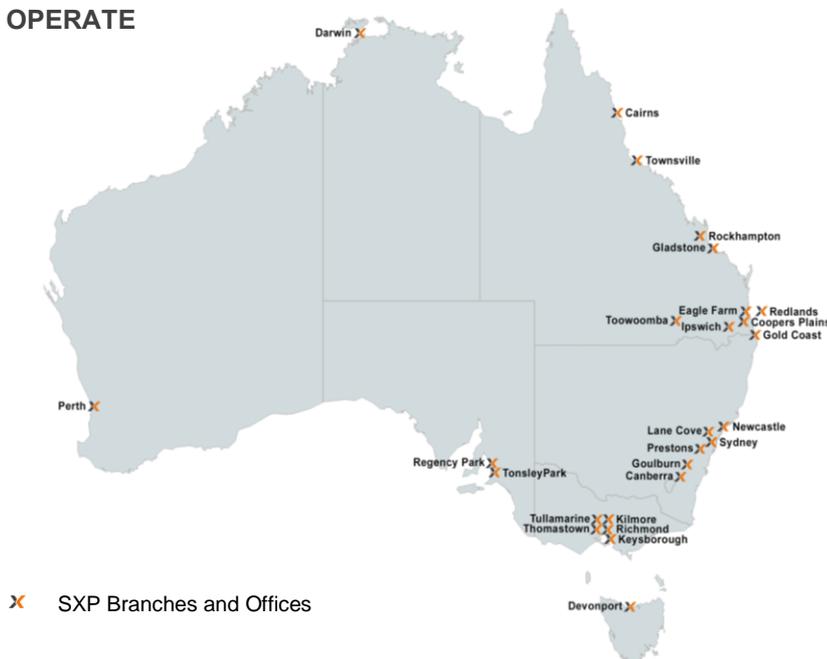
OUR STRUCTURE AND OPERATIONS

SXP is a group of Australian 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 2021, SXP engages approximately 1,800 regular and direct personnel, with a 50% surge capacity through our vetted and approved subcontractor network. This is a total workforce of approximately 2,700 supporting nationwide operations.

WHERE WE OPERATE



OUR SUPPLY CHAIN

To assist in the delivery of service and products, SXP engages with a network of approximately 400 subcontractors and suppliers located within Australia. We utilize subcontractors to assist in the delivery of services in regional areas and for surge capacity resourcing. Suppliers are utilized 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

In 2020, we conducted a high-level risk analysis of potential modern slavery risks in our operations and supply chain. The key factors that were used to assess risks of modern slavery included:

- ✗ information from the Global Slavery Index²;
- ✗ sector and industry risks (for example manufacturing, agriculture, cleaning etc.) considered high risk³;
- ✗ product and services risks (for example computers and garments) considered high risk²;
- ✗ workforce profile such as the presence of vulnerable groups (for example base-skilled workers, migrant workers or non-English speaking workers)³;
- ✗ geographical risks as indicated by the Global Slavery Index²; and
- ✗ analysis of our existing governance framework (for example human resources and recruitment, and contractor procurement, management, and auditing)

Based on our high-level analysis of modern slavery risk factors, we considered that our industry (security industry) has potential risks of modern slavery practices due to the presence of base-skilled workers. However, we considered overall 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 chain is relatively 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 utilized in our operations.

Furthermore, assessments were completed by our primary subcontractors and suppliers that cover approximately 80 percent of our annual subcontractor and supplier expenditure to identify potential risks of modern slavery. The assessments confirmed 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.

In our commitment to further assess and address potential modern slavery risks in our supply chains, during the reporting period all prospective subcontractors and suppliers have been required to complete our ethical sourcing questionnaire. Further distribution and completion of the questionnaire by remaining existing subcontractor and suppliers is being systemically completed over the next two years.

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 board, Managing Director and senior leadership team together provide 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. During the reporting period we reviewed and where necessary refined our current policies, procedures, and

² Walk Free Foundation, [Global Slavery Index](#) (2018)

³ Australian Council for Superannuation Investors, [Modern Slavery Risks, Rights and Responsibilities: A Guide for Companies and Investors](#) (Feb 2019)

processes. The following policies and procedures set our expectations for our staff, suppliers, and subcontractors with regards to modern slavery:

- ✘ 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 outline our obligations, our subcontractor and supplier obligations, our processes on evaluation, onboarding, induction and training, ongoing management, and compliance auditing. During the reporting period, we refined our Ethical Sourcing Questionnaire to improve the relevance and clarity of responses. The completion of the questionnaire is required to be completed by all prospective subcontractors and suppliers as part of the evaluation process. Our contractor management procedures with regards to identifying and managing modern slavery risks in our supply chain are detailed further below.

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

All prospective subcontractors and suppliers of SXP are required to go through our evaluation process prior to being engaged within our business. Our evaluation process covers the following:

- ✘ Verification that the subcontractor or supplier is a legitimate operating entity;
- ✘ Verification of compliance documentation such as security and labour hire licences, insurances, and accreditations;
- ✘ Review of Company Policies and Procedures, and WHS and Quality documentation;
- ✘ Review of service experience and resourcing and operational capabilities;
- ✘ Reference and background checks;
- ✘ Assessment of potential modern slavery risks and associated controls in their operations through our Ethical Sourcing Questionnaire; and
- ✘ Pre-engagement compliance audit to ensure their employees are over the age of 18, have appropriate rights to work in Australia, are appropriately licensed and are paid in accordance with Fair Work legislation.

Only subcontractors and suppliers that are compliant with all legal requirements, service experience, and have the required resources to meet their contractual obligations are utilized within our operations.

SUBCONTRACTOR AND SUPPLIER INDUCTION

Prior to commencement all new subcontractors and suppliers are inducted in the following key business and operational areas:

- ✗ Safety Management;
- ✗ Compliance Management (which includes Statutory, Regulatory and Licensing requirements; Worker verification and system onboarding; Rights to Work / Visa Conditions; Induction and training; Monthly Compliance Declarations; Compliance Audits);
- ✗ Customer Service Delivery; and
- ✗ Operations Procedures

SUBCONTRACTOR AND SUPPLIER CONTRACT TERMS

During the reporting period, SXP reviewed its major subcontractor and supplier agreements and incorporated terms to provide assurance that our subcontractors and suppliers are aware of and comply with modern slavery obligations. These clauses include but are not limited to; the requirement of our subcontractors and suppliers to comply with relevant modern slavery laws and standards, our modern slavery policies, and to notify us upon becoming aware of any complaint or allegation that they, or any part of their business or operations has engaged in modern slavery.

SUBCONTRACTOR AND SUPPLIER COMPLIANCE DECLARATIONS

Our subcontractors and suppliers are required to provide monthly statutory declarations confirming their compliance to relevant contractual, industry and legal obligations. During the reporting period we updated these declarations to include confirmation from the subcontractor or supplier that they had conducted its business in a manner that is compliant with modern slavery laws; and had done all things reasonably required to reduce modern slavery risks in its operations and supply chain.

SUBCONTRACTOR AND SUPPLIER COMPLIANCE AUDITS

Our subcontractor and suppliers are subject to compliance audits to ensure they are acting in accordance with their contractual and legal obligations, including but not limited to Fair Work, Rights to Work, WHS, and Modern Slavery. These compliance audits are conducted during the evaluation process, post-engagement, annually and/or in the event an allegation of noncompliance has been reported.

TRAINING AND AWARENESS

SXP recognizes the importance of our employees, subcontractors and suppliers understanding what modern slavery practices are, how to report known or suspected practices and how we will respond and address them.

During the reporting period we have continued to train and raise awareness on modern slavery as follows:

We have ensured that our Governance, Risk and Compliance team who are responsible for the management of our modern slavery risk processes received refresher training 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; and
- ✗ what to do in the event modern slavery practices are suspected or detected

To raise awareness in our greater workforce, which includes all employees, subcontractors, suppliers, and their employees we have implemented the following into our workforce induction processes:

- ✘ Mandatory policy signoff for our Modern Slavery Policy
- ✘ Mandatory policy signoff for our Whistleblower Policy and Procedure
- ✘ Dedicated Modern Slavery e-learning module which outlines:
 - ✘ what is modern slavery and examples of modern slavery;
 - ✘ our requirements under the Modern Slavery Act;
 - ✘ what we are doing to identify and address risks of modern slavery in our operations; and supply chains;
 - ✘ information on our Modern Slavery Policy and where to find it; and
 - ✘ information on how to report modern slavery

WHISTLEBLOWER HOTLINE

Our Whistleblower Policy, which was first implemented in January 2020 and continues in effect, 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. Our policy applies to any person who is, or has been, an employee, officer or director, associate, contractor, sub-contractor, consultant, or supplier (including their employees), and their respective family members. The policy is published and made accessible on our workforce communications platform and our company website.

Reporting of known or suspected misconduct including matters related to modern slavery practices may be raised with a number of identified personnel or bodies and through our whistleblower hotline. 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.

REMEDIATION

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 cannot be reached subcontractor and supplier agreements will be terminated and the matter reported appropriately to authorities.

ASSESSMENT & EFFECTIVENESS OF OUR ACTIONS

SXP is committed to ensuring continuous improvement in our modern slavery processes and recognizes the importance of monitoring to determine effectiveness of our actions.

Our Governance, Risk and Compliance team are responsible for monitoring and reporting on the effectiveness of our modern slavery processes. These reports are 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.

SXP considers the measures taken during the reporting period to have been effective in identifying and addressing potential modern slavery risks in our operations and supply chains.

The effectiveness of our actions has been determined by monitoring and analyzing:

- ✘ Ethical Sourcing Questionnaire results;
- ✘ Compliance Audit results;
- ✘ Investigation and findings on complaints, grievances and reports of issues received;
- ✘ Completion rates of our modern slavery e-learning training modules; and
- ✘ Completion rates of modern slavery policy sign offs

OUR FUTURE COMMITMENTS

Over the coming financial year, we will:

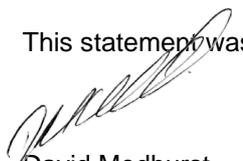
- ✗ Continue to review our subcontractor and supplier arrangements;
- ✗ Continue to review our modern slavery policies, procedures, and processes to ensure they remain up to date and effective in assessing and addressing modern slavery risks;
- ✗ Continue the implementation of our new subcontractor and supplier agreement with all applicable subcontractors and suppliers;
- ✗ Conduct an annual refresher training on modern slavery with our workforce; and
- ✗ Provide our workforce with an update on this modern slavery statement and our future commitments

CONSULTATION

SXP Group takes a collective approach to addressing the risks of modern slavery and ensuring compliance with modern slavery laws. To prepare this joint statement, the senior leadership team of the reporting entities were actively engaged in the development of this statement. Our modern slavery policies, procedures, and processes, including this statement, have been developed collaboratively, and authorized by the directors of the reporting entities.

APPROVAL

This statement was approved by the board of SXP Group on 30th September 2021.


David Medhurst
Managing Director
SXP Group