



Jaycar Electronics Group Pty Limited
Road Tech Marine Pty Limited
Modern Slavery Statement - 2020



March 2021

Our Structure and Operations

The Jaycar Electronics Group (“**JEG**”) is made up of Jaycar Pty Ltd (ACN 000 087 936) (“**Jaycar**”), Electus Distribution Pty Limited (ACN 000 087 347) (“**Electus**”) and JEG Services (NZ) Limited a New Zealand domiciled company. The reporting group also includes Road Tech Marine Pty Limited (“**RTM**”) (ACN 159 256 652), a commonly controlled entity of JEG.

JEG has an annual turnover exceeding \$100 million. Whilst RTM does not have turnover of \$100 million, it is considered to be part of the reporting group for the purposes of the *Modern Slavery Act (2018) (Cth)* and is included in this report on that basis. These entities are collectively referred to as **the Group**.

The Group has three distinct business unit operations:

- Jaycar** - A retailer of electronics goods operating 121 stores in Australia and New Zealand and an ecommerce website;
- RTM** - A retailer, importer and wholesaler of outdoor leisure goods and boating chandlery operating 24 stores in Australia and an ecommerce website;
- Electus** - A wholesaler and importer of electronics goods in both Australia and New Zealand. Electus customers include Jaycar Authorised Resellers, other retail resellers and manufacturers and installers, using Electus products as inputs into their own processes.

The Group employs over 1,400 employees in both Australia and New Zealand. The company headquarters and distribution centre are based in Sydney, New South Wales. The majority of employees are employed in the Group’s retail store operations.

Further information about the Group’s business operations can be found at:

www.jaycar.com.au

www.roadtechmarine.com.au

www.electusdistribution.com.au

Our Supply Chains

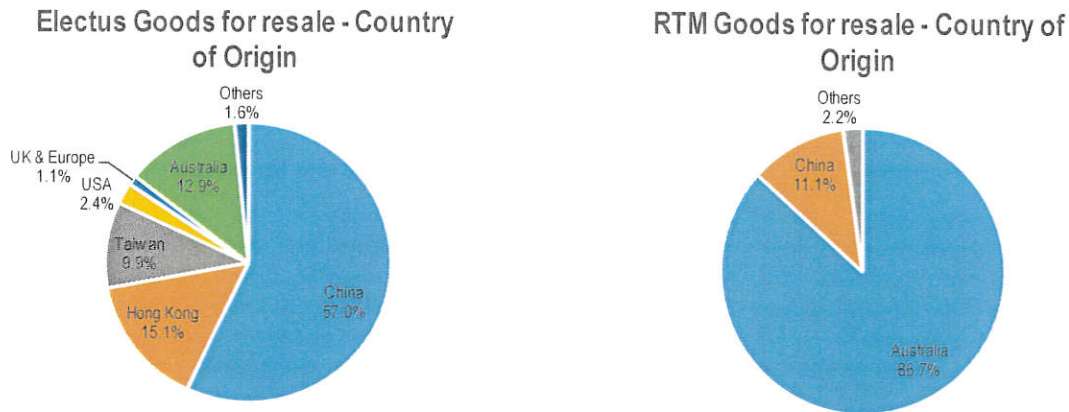
Goods for resale – include product categories of electrical components, cables & wires, CCTV and surveillance equipment, power products, home entertainment, outdoor leisure equipment, solar panels and inverters, boat chandlery, educational kits, communications equipment and other toys. The group sells national branded products as well as its own private label products under brand names of “Nextech”, “Digitech”, “Powertech”, “Protech”, “Rovin”, “Brass Monkey” and “Concord”

Jaycar stores range over 7,100 products and RTM stores range over 5,800 products. The total product range of the Group exceeds 19,000 individual Stock Keeping Units (SKU’s).

Electus is the primary sourcing entity of the Group’s goods for resale and a majority of those products are sourced from overseas suppliers. RTM additionally sources its own unique product range, however, a majority of these products are sourced from Australia based suppliers.

Our Supply Chains (Cont'd)

The charts below show the source of goods for resale based on the location of the tier 1 supplier.



Goods not for resale – include items such as IT equipment, retail store fit out materials, warehouse and store consumables, stationery and printed advertising and point of sale materials.

Services – the group procures services in the areas of transport and logistics, IT services, cleaning and other facilities management, contract labour hire and catalogue design.

Risks of Modern Slavery in Our Operations & Supply Chains

Operations – the Group has identified the residual risk of Modern Slavery in its own operations as low. The majority of the Group's employees are covered by Modern Awards with the balance being employed via individual agreements. There are detailed policies governing Code of Conduct, Equal Employment Opportunity and Grievances. Time and attendance records are regularly reviewed to ensure that team members are not required to work excessive hours. The company has established a Whistleblower policy and hotline reporting mechanism to ensure that employees feel safe in reporting issues and can maintain anonymity.

Supply chains – The primary risk of modern slavery in the Group's supply chains is non-compliance of tier one suppliers with the Groups Modern Slavery & Ethical Sourcing Policy minimum standards.

These risks can be heightened by the following factors:

1. **Agency or outsourcing:** where the tier one supplier is not the manufacturer of the goods or is an agent procuring supply from other manufacturers, the Group does not have clear line of sight of the manufacturer of the end product;
2. **Country of sourcing:** certain countries have heightened risks of Modern Slavery. Those relevant to the Group are as follows:

Country	Risk	Product / Service
Australia	Unfair labour practices	Cleaning services, Labour Hire
China	Freedom of association, child labour, excessive overtime, forced labour	Electronics, Toys
Malaysia	Forced labour	Electronics

Actions taken to address key risks of Modern Slavery

1. Supplier relationships

The Group has operated in its current ownership structure for around 40 years and in that period of time has established a number of long term relationships with both domestic and international suppliers.

These relationships have enabled free flow of information and co-operation between the parties. Prior to COVID-19, the Group's buying team would regularly visit supplier manufacturing facilities and review their processes. Historically these visits for somewhat unstructured, however, once border restrictions are lifted and international travel is able to be undertaken again, a more structured approach to supplier visits will be undertaken.

2. Modern Slavery & Ethical Sourcing Policy

The Group has issued a Modern Slavery & Ethical Sourcing Policy that sets out the minimum standards expected of the Groups suppliers. These minimum standards include:

- Ensuring all work is freely chosen with a prohibition on any form of forced labour, child labour or excessive working hours. Respecting workers' rights to free association and to bargain collectively and providing workers with clear understandable contracts of employment;
- Providing safe working environments, free from discrimination, harassment or abuse;
- Compliance with all applicable laws and regulations and not being involved in bribery or corruption in any form;
- Compliance with all relevant environmental and animal welfare legislation

3. Supplier self-assessment questionnaire

The group has implemented a self-assessment questionnaire for tier one suppliers. The questionnaire is being rolled out across both Australian and International suppliers.

The questionnaire focusses on the suppliers' approach to Modern Slavery within their own operations, such as do they have a policy and particular questions around their labour engagement policies, and how they address Modern Slavery Risks in their own supply chains.

The Group's buying team then make an initial risk assessment incorporating the suppliers' responses, country specific risk factors and industry specific risk factors to arrive at an initial risk rating.

Where a supplier is determined to be of higher risk, a program for further investigation or questioning will be undertaken. This may involve a site visit at an appropriate time.

4. Trading Terms

A Modern Slavery clause has been incorporated into all Group Purchase Orders (for goods for resale), requiring the supplier to be in compliance with all relevant labour and other applicable laws.

5. Whistleblower policy & hotline

The Group has a whistleblower policy and externally provided hotline for the reporting of any suspicions of Modern Slavery that may arise in any interactions with suppliers by any employee (or alternatively other contractor or supplier to the Group).

Assessment of the effectiveness of these actions

The Group has a focus on developing its systems and reporting with respect to ensuring ethical sourcing.

The supplier self-assessment questionnaire has been sent to 68 tier one suppliers with a response rate of approximately 66%. The results and risk assessments of the supplier responses are in the process of being finalized.

The Group has a goal to expand and diversify its supply chain and plans to improve its onboarding processes for new suppliers and in addition, to take corrective actions and follow up with those suppliers identified as being higher risk.

Conclusion

Jaycar, RTM and Electus oppose slavery in all its forms. The Group acknowledges the importance of seeking to eliminate these practices from our supply chains and to provide our customers with assurance that the products they buy have been ethically sourced.

The steps undertaken to date are the first steps in understanding and mapping our supply chains and identifying where the risks lie. These actions will drive the next steps in our approach to working with our stakeholders to contribute to the elimination of modern slavery.

This statement as approved by the boards of Jaycar Electronics Group Pty Limited and Road Tech Marine Pty Limited.

Signed



Michael Newsom
Chief Executive Officer