



4X4 ACCESSORIES

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As a significant Australian company, ARB is conscious of its role to manage the environmental and social impacts of its everyday activities appropriately. ARB understands that not only are sustainability goals important for their own sake, but they are often important for mitigating direct risks faced by the Company. Accordingly, the Board considers it necessary to identify societal and environmental trends that may pose long term risks to the Company's business. In this regard, the Company's social and environmental responsibilities are integral to its corporate governance responsibilities and risk management strategies. As a result, these matters are monitored comprehensively as a part of the Board's regular activities.

Some of the Company's activities demonstrating its engagement with its environmental and social responsibilities are highlighted below.

Environment

Policy and systems: ARB strives to improve continually its environmental performance by adhering to principles of efficient production, actively working to minimise pollution and managing waste streams. Through its corporate policies and processes, ARB promotes active management of the Company's environmental responsibilities among its employees. ARB complies with all environmental regulatory requirements applicable to its operations.

The Company ensures the environment is considered in corporate strategies and procurement choices. Environmental management systems have been developed and implemented to achieve these objectives. ARB's manufacturing site in Kilsyth, Australia has achieved and maintained ISO 14001 certification since 2012. It has set specific targets to reduce electricity and water consumption and reduce the amount of waste sent to landfill.

Energy efficiency: ARB actively seeks sustainable solutions in its varied operations. In the past year, the Company has gone through a program of changing its halogen high bay lighting in a number of its Australian warehouses for high-quality energy efficient LED lighting. As well as providing significant ongoing savings in electricity costs, ARB's overall efficiency in the use of electricity is increasing.

ARB has commenced a program of refurbishing its corporate retail stores in accordance with a new company standard to raise and protect brand awareness and improve the customer and employee experience in-store. In these refurbishments, attention is given to using energy efficient materials and reusing existing fittings and fixtures where possible.

Recycling: Across its many sites, ARB has implemented and maintained significant recycling programs of scrap materials including cardboard and metals. In many cases, these materials are sold to recyclers making the programs cost neutral or modestly profitable.

Social

Staff: Human capital is the Company's most important asset and remains a continued area of focus of management at all levels. The Company is continuing to refine its human resource function to ensure the right people are in the right place at the right time. ARB sets the bar very high when it comes to ensuring the safety of its employees. ARB has a comprehensive program for measuring and monitoring workplace health and safety.

The Company recently reviewed key policies on anti-discrimination and harassment to ensure they are up to date and staff are trained in the Board's expectations of workplace behaviour. Training and development of staff at all levels remains a key focus of the business. Key indicators of employee satisfaction are measured and reviewed.

Community: ARB makes regular donations to charities in Australia including Ronald McDonald House, Dreams To Live For, Mummy's Wish Foundation and Breathe Easy. In Thailand, the Company also contributes to the local community through activities including donating new school desks and other items to local schools; donating cash, food and ARB products to support remote schools and flood affected areas; providing relevant industry experience opportunities to local universities through trainee programs; and buying pineapples from local farmers that could not be sold in time which were then given to our employees.

Customers: ARB enjoys engaging with the communities in which it operates. Through annual sponsorships of important events such as the Australian Off-Road Racing Championship and individual competitors in King of the Hammers in California, ARB directly meets and engages with its customers and future customers, and is at the forefront of industry developments.

ARB also engages with its stakeholders through a variety of social media platforms to share information and gain a better understanding of stakeholder views and concerns.

ARB's in-house magazine *4x4 Culture* includes articles and tips to adventurers on how to enjoy some of the more remote and beautiful parts of the world in their 4x4 vehicle, while ensuring their impact on the local environment is minimised.

In the course of the past year, ARB conducted experience days in a number of Australian States and the USA to give customers the chance to participate in demonstrations of ARB products on a tailored off-road course.

Suppliers: ARB recognises the importance of its suppliers in delivering quality products to its customers efficiently. ARB has built close relationships with key suppliers over the years and works hard to maintain those relationships through informal regular discussions and contact, and with formal performance reviews. ARB also meets the ethical sourcing requirements imposed by its Original Equipment Manufacturer customers across the entire ARB supply chain. In these ways, ARB monitors the sustainability endeavours and supply chain integrity of its suppliers.