

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 also a driving force behind long-term performance, value creation for shareholders and risk mitigation. ARB remains committed to creating a business that fosters environmental sustainability, social responsibility and employee engagement in a way that delivers positive outcomes for ARB's stakeholders and the wider community in which we operate. As a result, these matters are comprehensively monitored as a part of the Board's regular activities.

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

## Environment

### **Policy and systems:**

ARB strives to continually improve its environmental performance by adhering to principles of efficient production, actively working to minimise pollution and managing waste streams. Through its various corporate policies and processes, ARB promotes active management of environmental responsibilities among its employees.

ARB ensures the environment is considered in corporate strategies and procurement choices, with environmental management systems developed and implemented to achieve these objectives. ARB's manufacturing site in Kilsyth, Australia has achieved and maintained ISO 14001 certification since 2012, an international standard that specifies requirements for an effective environmental management system.

### **Energy efficiency:**

ARB actively seeks sustainable solutions in its varied operations, and embraces technologic advances that can help meet this goal. ARB is continually reviewing its manufacturing process and has recently invested in a number of advanced laser cutting and bending machines that will result in an increased manufacturing capacity at a lower electricity usage and result in less wastage of raw materials.

ARB has also commenced a program of refurbishing its corporate retail stores in accordance with a new company standard to raise energy efficiency and improve the customer and employee experience in-store. In these refurbishments, preference is given to using energy efficient materials and reusing existing fittings and fixtures where possible. LED lighting, insulation and recycled products are all used where possible in the roll-out of the ARB store refurbishment program.

### **Waste & Recycling:**

Across its many sites, ARB has implemented and maintained significant recycling programs of scrap materials including cardboard and metals. ARB's corporate office is in the process of transitioning from traditional paper-based systems to electronic, online and cloud-based technology in an effort to minimise reliance and usage of paper.

## Social

### **Staff:**

Human capital is ARB's most important asset and remains a continued area of focus for management at all levels. ARB is continuing to refine its human resource function to ensure the right people are in the right place at the right time. ARB has a comprehensive program for measuring and monitoring workplace health and safety, and has a dedicated team responsible for the reduction and elimination of workplace risks so far as possible.

ARB has reviewed key policies on anti-discrimination and harassment to ensure 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 and not for profit organisations, both in Australia and in overseas markets in which we operate. In the last year ARB has supported numerous organisations domestically, including Run for Kids, Drive 4 Life, Variety, Rotary Australia and The Movember Foundation. In September 2018 ARB also supported the Buy a Bale campaign, with ARB employees leading an expedition delivering bales of hay to farmers in rural communities suffering the consequences drought, flood or fire.

In Thailand, ARB regularly contributes to the local community and in the last year has donated much needed items to local schools, including the installation of solar cells for electricity, raised money for orphans with parents affected by HIV and provided relevant industry experience opportunities to local universities through trainee programs.

### **Customers:**

ARB is active in engaging with communities in which it operates. Through annual sponsorships of automotive events such as the Australian Off-Road Racing Championship and supporting 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. In the course of the past year, ARB has also 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.

ARB's in-house magazine, *4x4 Culture*, is a free publication produced quarterly, and 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.

**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 many years and works hard to maintain those relationships through informal ongoing discussions and formal performance reviews. In this way, ARB monitors the sustainability endeavours and supply chain integrity of its suppliers. ARB reports to many Original Equipment Manufacturer customers to demonstrate that it meets ethical sourcing requirements in its supply chain.