

ARB recognises that its business operations impact many stakeholders, including customers, employees, suppliers, shareholders and the broader communities in which the Company operates.

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 sustainability goals are 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 the Company operates. As a result, these matters are comprehensively monitored as a part of the Board's regular activities.

Key internal policies including the Code of Conduct, Workplace Behaviour, Compliance, Risk Management, Environment, Privacy and Whistleblowing are approved by the Board and promoted by management. Processes are in place to communicate these policies to all employees and contractors and to monitor adherence across the Company.

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. ARB promotes active management of environmental responsibilities among its employees. ARB complies with all environmental regulatory requirements applicable to its operations.

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 across its operations and embraces technological advances that can help meet its goals. The Company is continually reviewing its manufacturing process and measures emissions due to electricity and gas usage for key sites. ARB has developed programs and invested in manufacturing operations to improve energy efficiency whilst reducing resource usage and wastage. For example, during the past year:

- ARB undertook an extensive review of its powder coating process and investments were made to reduce heat loss and improve thermal efficiency reducing gas consumption by approximately 12%; and
- ARB invested in a new rapid drying system in the painting process to reduce oven bake time and associated electricity and gas consumption.

ARB continued its program of refurbishing corporate retail stores using energy efficient materials and recycled products where possible to raise energy efficiency and improve the customer and employee experience in-store.

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 continues to transition from traditional paper-based systems to electronic, online and cloud-based technology in an effort to minimise reliance and usage of paper.

Social

Staff:

ARB is proud to provide stable employment and career opportunities to approximately 1,600 people around the world. Human capital is ARB's most important asset and remains a continued area of focus.

Training and development of staff at all levels remains a key focus of the business. ARB seeks to develop talent internally and has recently piloted an in-house leadership and management training course run by a third-party provider with a view to enhancing skills and formalising career pathways. ARB is also liaising with education bodies to deliver a formal qualification to the Company's 4x4 Technicians.

ARB operates 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 as far as possible. The Company consults with employees directly and through committees. Best practice safety indicators are captured and reported to the Board monthly.

ARB promotes key policies on anti-discrimination and harassment to ensure staff are trained in the Board's expectations of workplace behaviour.

The Company's Board and management team monitor the company's culture through regular reporting on HR metrics such as staff engagement, turnover and absenteeism. 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 overseas where it operates.

ARB also supports a number of community-based and charitable organisations and local events on an ad-hoc basis. This support is usually by way of financial contribution, the provision of products or sponsorship.

Organisations supported by ARB last year include:

- CEO Sleep Out supporting St Vincent de Paul Society;
- Supporting Murphy Ames, walking across the Simpson Desert Trek for Injured Veterans;
- MS Sydney to Gong Ride;
- Mental Wheels Foundation;
- 2019 RMHC Ride for Sick Kids (SA);
- Wildlife Warriors; and
- Starlight Children's Foundation.

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 produces its in-house magazine, *4x4 Culture*, a free publication which is produced quarterly and includes articles and tips for adventurers. Along with the destination-based articles within the magazine, ARB has also produced a series of destination-based videos to assist customers with planning post COVID-19 lockdown and encouraging them to get out and enjoy their 4WDs which in turn promotes and simulates the tourism industry.

Suppliers:

ARB is committed to sourcing products ethically and responsibly. The Company recognises the importance of its suppliers in sustainably delivering quality products to its customers. ARB has built close relationships with key suppliers over many years and works hard to maintain those relationships through ongoing discussions and formal performance reviews. In this way, ARB monitors the sustainability endeavours and supply chain integrity of its suppliers. ARB also reports to many Original Equipment Manufacturing customers to demonstrate that it meets ethical sourcing requirements in its supply chain.

ARB is committed to working with its employees, suppliers, contractors, and external stakeholders to improve its understanding of modern slavery risks and to address such risks with the implementation of frameworks and procedures to respond appropriately. The ARB modern slavery working group continues its work to better understand and manage the risks associated with ARB's operations and supply chains.