

Dicker Data Limited Modern Slavery Statement

Reporting Period: 1 January 2022 - 31 December 2022

ABN 95 000 969 362

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CEO Commentary

In last year's modern slavery statement, I stated that it was a "year with difficult market conditions". Conditions in 2022 were similar. However, given the strength of our business and our people, we were able to deliver outstanding results. With strong financial performance and the expansion of our operations, we have continued to build Dicker Data.

With a commitment to identifying, understanding and mitigating modern slavery risk in our operations and our supply chains, we have strived to continually improve within the space.

I am pleased to present our Modern Slavery Statement (Statement) representing our third consecutive year of reporting and outlining the steps we have taken to action our commitment to conduct business in an ethical manner.

2022 coincided with the launch of Dicker Access and Surveillance (DAS) expanding our horizons and bringing with it a range of new partners and stakeholders. Understanding this, we re-engaged with specialists and technology providers in the modern slavery space to renew our analysis and re-evaluate our risk profile in light of DAS.

The year has been one with significant economic and geopolitical changes leading to various effects on global supply chains, the effect of which will be outlined in this Statement.

We have reviewed and evaluated the actions undertaken over the last two years and have put in place additional steps to improve our performance in the modern slavery space and drive our strategy further.

This Statement will go over the work undertaken by the business during the reporting period, and will articulate our ongoing strategy in combating the risk of modern slavery to our company.



David Dicker
Chairman and Chief Executive Officer

This statement was approved by the Board of Directors of Dicker Data Limited

2022 in review

Entities and Structure

Responsive to Mandatory Criteria 1 and 2

- Identified reporting entities
- Described Dicker Data's structure, operations and supply chains post-establishment of Dicker Data Financial Services NZ Ltd and DAS, as reflected on pages 6-8 of this Modern Slavery Statement

Policies and Protocols

Responsive to Mandatory Criteria 3 and 4

- Reviewed the Code of Business Conduct and Corporate Governance Statement in terms of modern slavery risks and ongoing compliance with modern slavery laws

Due Diligence

Responsive to Mandatory Criteria 3 and 4

- Categorised Dicker Data's first tier suppliers on an industry and geographic basis to drive risk assessment
- Re-mapped and re-assessed our comprehensive supply chain using the categorised first tier data, with the assistance of FairSupply, a third-party technology provider
- Performed an in-depth individual supplier analysis of 20 suppliers that were identified as having the highest number of probable slaves in their supply chain and the top five industries that pose the greatest risk of modern slavery

Grievances and Remediation

Responsive to Mandatory Criteria 3 and 4

- Rolled out modern slavery training on our development platform, ELMO Learning, to empower all of our staff to understand and identify modern slavery
- Used internal communication initiatives to reinforce staff awareness of reporting mechanisms for modern slavery concerns
- Recorded zero reports of actual or suspected modern slavery through our whistle blower hotline and other channels of reporting.

Training and Education

Responsive to Mandatory Criteria 3 and 4

- Rolled out our ELMO training platform to empower all of our staff to understand and identify modern slavery
- Conducted internal training on modern slavery for our executive team via the ELMO training platform.

Geopolitical events

Responsive to Mandatory Criteria 3, 4 and 7

- Maintained protocols and practices to protect the health and wellbeing of our workforce during the COVID-19 pandemic
- Maintained the continuity of first tier supplier relationships to mitigate the impact of the pandemic, global chip shortages and other geopolitical events on lower tiers of the supply chain and related risks of modern slavery
- Increased inventory holdings to ensure ongoing operations during global supply chain issues.

Assessing Effectiveness

Responsive to Mandatory Criteria 5

- Reviewed processes to be continued on an annual and ongoing basis to measure modern slavery risk in our supply chain
- Performed year-on-year qualitative analysis of efforts by a set of first tier suppliers to mitigate modern slavery.
- Performed quantitative analysis of results against benchmarks outlined in FY21 reporting with technology partner, FairSupply Analytics.
- Generally noted improved performance by first tier suppliers in their modern slavery mitigation and reduced number of theoretical slaves within our supply chain.

Collaborative Efforts

Responsive to Mandatory Criteria 6 and 7

- Engaged with key operational personnel across corporate structure, including newly established entities, to assess, identify and mitigate modern slavery risk

Who we are

Dicker Data (ASX:DDR) is an Australian-owned and operated, ASX-listed distributor of IT hardware, software, cloud, access control, surveillance and emerging technology solutions for the corporate and commercial ANZ market with over 44 years of experience.

For FY22, our principal activities were the wholesale distribution of computer hardware, software and related products with no significant changes in the nature of the activities carried out during the year.

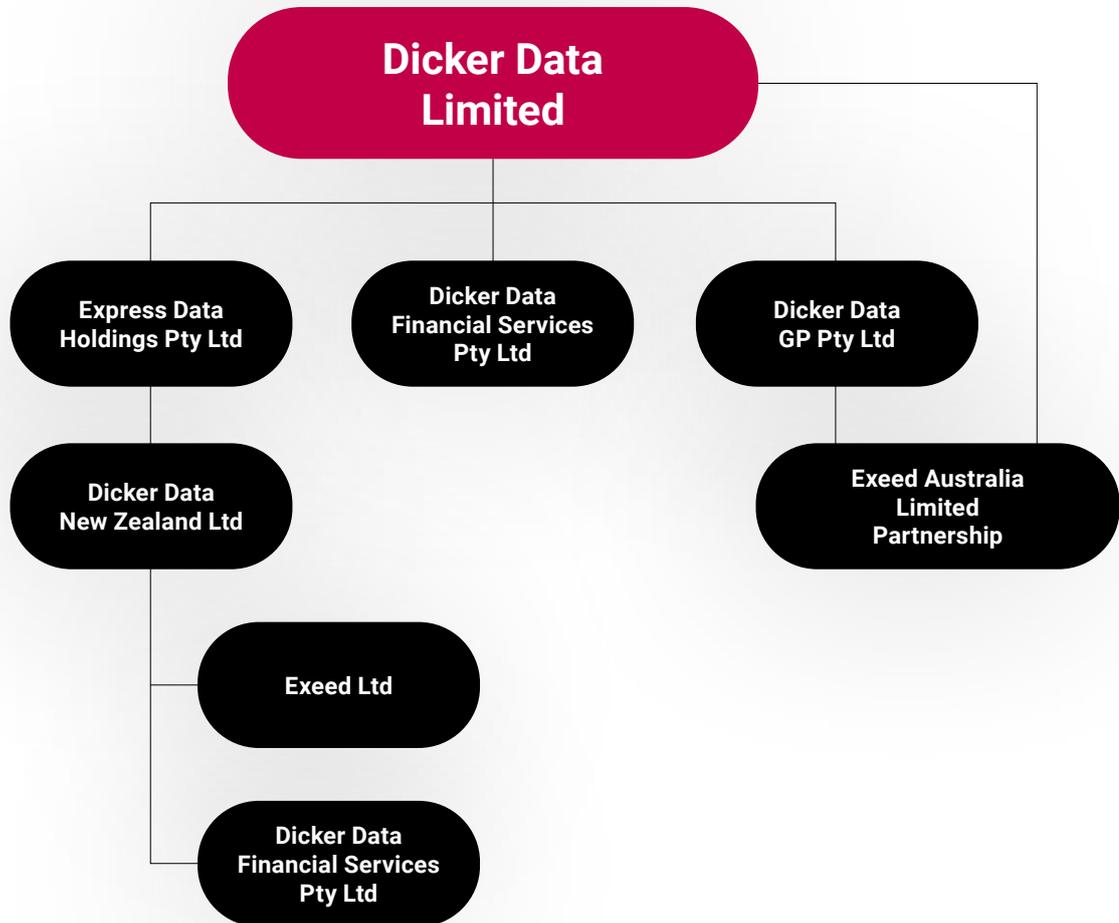
In FY22, Dicker Data fully integrated the IT and Security Division of Hills Limited and established DAS as a new division within Dicker Data Limited.

With over 10,200 active, registered resellers in our partner base, we distribute a wide portfolio of products from world-leading technology vendors including Apple, Cisco, Citrix, Dell, Hewlett Packard Enterprise, HP, Lenovo, Microsoft and other widely known technology brands. The company has proven strategies and processes in place to efficiently on-board new brands and to begin delivering a return on investment quickly. A sampling of the key brands in our vendor base is provided below:



We are a vital link in the value-added technology supply chain that supports over 10,200 IT reseller partners to design, configure, deliver, and deploy the technology that we provide. Our resellers operate within Australia and New Zealand and as such are able to avoid the pitfalls of modern slavery in their respective operations due to the strong legislative framework of those jurisdictions.

Corporate Structure



Operations

Dicker Data Limited is a reporting entity under s 5(1) of the Modern Slavery Act 2018 (Cth) (the Act). This statement is presented on a consolidated basis and Dicker Data Limited is reporting on behalf of the consolidated group.

We lease twenty properties in Australia and New Zealand and primarily operate from our headquarters located at 238 Captain Cook Drive, Kurnell 2231, which is owned by the Company.

Workforce

As at the end of FY22, we had a workforce of approximately 876 people.

Department	Number of staff	Permanent	Casual
Australia			
Sales and Product Management	503	479	24
IT & Marketing	49	37	12
Finance	68	65	3
Warehouse	66	51	15
AU TOTAL	686	632	54
New Zealand			
Sales and Product Management	129	128	1
IT & Marketing	9	9	0
Finance	14	14	0
Warehouse	38	25	13
NZ TOTAL	190	176	14

With the establishment of DAS, our workforce substantially increased with 110 people alone being acquired as part of the Hills Security and IT Division. Our workforce primarily includes sales, presales, product, IT, finance, warehouse and marketing teams comprised of experienced and highly skilled specialists that are subject to the strong legislative frameworks of Australia and New Zealand, which in turn lowers the risk of modern slavery from occurring in our operations.

During FY22, Dicker Data's Annual Staff Survey collected key information that indicates the ongoing wellbeing of our people, with 87% of respondents indicating that they are proud to work for Dicker Data and 87% separately indicating that they believe that staff treat each other with respect. Dicker Data remains committed to engaging our people, adjusting our policies to reflect their needs and to creating a positive working environment.

Our robust human resources department and the strong oversight provided by the Executive team allows us to screen, onboard and oversee employees in a manner that prevents modern slavery in our operations and among our workforce. Employees are required to adhere strictly to our Code of Business Conduct, with yearly training and testing on its contents, as well as our other standards of practice and procedures to ensure that they, and Dicker Data, act in an ethical and professional manner. We also seek to upskill our people and provide them with tools to support their wellbeing. In FY22, Dicker Data launched our learning and development platform, ELMO Learning, to offer our staff access to over 400 courses covering a broad range of topics, including modern slavery related training. Dicker Data's Employee Assistance Program (EAP) provides our people with access to three Company-funded confidential sessions with a counsellor to assist them with any mental health concerns.

Dicker Data also provide employees with access to our grievance mechanisms where they may raise complaints or concerns (anonymously if desired) with the company's practices and access solutions for their resolution.

Identifying risks of modern slavery practices

For our third consecutive year, Dicker Data engaged FairSupply to review and update our supply chain mapping exercise, going beyond our first-tier suppliers and providing insight into the probable risk of modern slavery occurring in our comprehensive supply chain through to the tenth tier, usually being the source of our supplier's raw inputs.

Methodology

FairSupply used proprietary technology in order to help link Dicker Data's supplier spend data for FY22 with global trade flow data through multi-regional input-output tables (IOTs). In doing so, FairSupply is able to map Dicker Data's supplier chain in a comprehensive manner. These IOTs help FairSupply identify the inputs required from different industries and countries around the world to produce the demand represented by Dicker Data's direct suppliers and then maps out this value spent at each tier, industry and country to the tenth tier.

This process provides Dicker Data with information about suppliers beyond those that we have direct contact with to help identify where the risk of modern slavery most greatly presents itself and the percentage of our spend being represented at that level. In doing so, Dicker Data is able to better understand if we are potentially causing, contributing to or are directly linked to the relevant modern slavery risk and determine our ability to leverage our relationship with suppliers to direct, negotiate or question purchasing decisions further down our supply chain to lessen that risk.

As a first step in the analysis of our supply chain based on the FairSupply data, we categorise first tier suppliers by both industry and country to understand the risk posed by suppliers with whom we are directly contracted. To facilitate year-on-year analysis and assess the efficacy of our actions, we employ the metric of "theoretical slaves per million dollars spent."

Our analysis in FY22 includes the suppliers for the Exeed entities that Dicker Data previously acquired at the end of FY21 and the suppliers for the DAS division established in FY22, providing a fulsome review of our modern slavery risk profile.

Geographic

With 181 unique suppliers across our operations, Dicker Data had 109 suppliers based in Australia and New Zealand. Australian and New Zealand based suppliers represented 86% of our total supplier spend for FY22 and indicates a lower level of geographic risk in respect of our supply chain due to the strong regulatory framework of Australia and New Zealand.

33 of our 181 suppliers were located in the US, UK and the EU also indicating a strong governmental response to worker rights and modern slavery specifically. According to the Global Slavery Index 2023 (GSI), the UK, Australia and the US rank first, second and fifth (respectively) in terms of governmental response to modern slavery risk, indicating positive steps to combat modern slavery risks in the regions from which we largely procure from.

Similar to previous reporting years, Dicker Data's risk most greatly presents in suppliers located in or sourcing from the Asia-Pacific region, namely, China, India and Indonesia. Asia has been identified by the GSI as one of the regions with the greatest prevalence of modern slavery and ranks below other regions in terms of governmental response.

In-depth Analysis - Top 5 Industries

Beyond geographic risk, industry presents a significant determining factor in assessing modern slavery risk. For Dicker Data, the significant sources of industry risk are derived from our procurement of computer hardware and software for distribution in Australia and New Zealand.

The top five industries that presented a heightened risk profile from our tier one suppliers are:

1. 31.5% of our modern slavery risk is attributed to **machinery and equipment in China;**
2. 19.4% of our modern slavery risk is attributed to **office machinery and computers in China;**
3. 12.7% of our modern slavery risk is attributed to **computer and related services in Australia;**
4. 10.1% of our modern slavery risk is attributed to **radio, television and communication equipment and apparatus in Australia;** and
5. 6.2% of our modern slavery risk is attributed to **office machinery and computers in Australia.**

These industries can incur modern slavery risk through the manufacturing of components and the sourcing of inputs for their fabrication. Forced labour, debt bondage and child labour are some of the forms of modern slavery that can arise when engaging with these industries due to poor oversight in manufacturing plants and the sourcing of certain minerals for the production of key components. Machinery, electronic equipment and computers require inputs that carry a heightened risk of modern slavery due to the sourcing of key minerals and materials such as cobalt, tungsten, tin, gold, steel, and other resources that are commonly referred to as “conflict resources”. With global chip shortages across the world, there was a distinct downward pressure on the inputs of industries, potentially leading to increased modern slavery risk.

The results of the above analysis demonstrate that a large proportion of our modern slavery risk is characteristic of the industries in which we operate and consistently represent our greatest risk from year to year. The above risk profiles are generated on a per \$ million spent basis and provides Dicker Data with an understanding of the suppliers most at risk of modern slavery despite varying amounts spent year-on-year. To better understand where our modern slavery risk is derived from, Dicker Data refreshed our analysis of the top 20 suppliers (in terms of modern slavery risk) and their response to modern slavery risk to better understand the actions taken to mitigate the above risks.

In-depth Analysis - Top 20 Suppliers

We refreshed our analysis of the top 20 suppliers with the highest number of theoretical slaves (total) in our supply chain for FY22 and conducted a more thorough analysis on certain subsets of data. The risks identified stemmed primarily from the potential use of forced labour, the sourcing of conflict minerals, the presence of migrant labour, the use of restricted chemicals and poor working conditions in manufacturing in their respective supply chains. Understanding those elements, we identified key corporate governance and due diligence exercises that would effectively address and mitigate those risks.

The top 20 suppliers represented 83% of the theoretical number of slaves in our comprehensive supply chain and consisted of both suppliers that were captured in our analysis in the prior reporting period as well as some new entities. The results of our desktop due diligence revealed a large proportion of these suppliers undertook specific actions in respect of their governance framework to mitigate the risk of exploitation of labour (Human Rights Policy, 70% of the top 20), poor working conditions (Code of Business Conduct, 95% of the top 20) and sourcing of conflict minerals (Conflict Minerals Policy, 75% of the top 20). A comparative analysis against the prior reporting period's data for the top 20 specific of these actions demonstrates that some suppliers are not as advanced in their governance frameworks in addressing modern slavery risk. This can largely be explained by the entrance of seven (7) new suppliers leading to some significant changes.

Of the top 20 suppliers, we noted two suppliers located in China presenting an elevated level of modern slavery risk. These suppliers do not provide publicly available information regarding their modern slavery actions. However, our further due diligence revealed one of the two suppliers has been listed on the US Department of Commerce's Entity List on the basis of surveillance concerns. The Entity List contains names of certain foreign persons that are subject to specific license requirements for the export, re-export and/or transfer (in-country) of specified items. Grounds for inclusion on the Entity List include activities sanctioned by the U.S. State Department and activities contrary to U.S. National Security. Although the two suppliers collectively represent an immaterial amount of Dicker Data's total supplier spend at 2%, Dicker Data will continue to monitor the suppliers to identify if further engagement and action is required.

Overall, the response to modern slavery risk and the proactivity by these suppliers to identify, mitigate and remediate such risk remains positive. When measured by every million dollars of output in the industry to allow for year-on-year comparisons despite changes in actual amounts, the number of theoretical slaves has decreased by 45% from FY21. However, even on an unadjusted basis and despite the greater supplier spend in FY22, the number of theoretical slaves has reduced by approximately 33% from FY21 for the top 20 suppliers, demonstrating a tremendous improvement by our major partners.

Measure Implemented	% of the top 20 suppliers (FY21)	% of the top 20 suppliers (FY22)
Code of Business Conduct	100%	95%
Supplier Code of Conduct	95%	90%
Slavery Statement	90%	80%
Human Rights Policy	70%	70%
Conflict Minerals Policy	80%	75%
Report Suppliers to Hotline	80%	65%
Responsible Business Alliance Membership	70%	65%
Signatory to UN Global Compact	45%	50%
Due Diligence Program	75%	75%
Supplier Self-Assessment	75%	70%
Audit of Direct Suppliers	90%	85%
Audit of Additional Tiers of Suppliers	15%	20%

Table 1. Measures implemented by our top 20

Actions taken to address risks

Policies and Protocols

Forming a fundamental part of our modern slavery strategy is our approach to corporate governance and management oversight, most readily evidenced by the policies and protocols. These policies and protocols help us embed our anti-slavery principles in our company and ensure we mitigate modern slavery risk in a consistent manner in our operations and supply chains.

Policy	Date of Revision/Review
Corporate Governance Statement	27 February 2023
Audit & Risk Management Committee Charter	25 November 2022
Code of Business Conduct	25 November 2022
Whistleblower Policy	25 November 2022

We conduct yearly reviews of our key policies and protocols with our management team.

Operations

Corporate Governance Statement

Dicker Data's Corporate Governance Statement provides our principal corporate governance practices in place for the financial year. We seek to maintain high standards of corporate governance to maximise shareholder value through strategic planning, risk management, transparency, and corporate responsibility.

In FY22's Corporate Governance Statement, Dicker Data outlined our ESG response including our social sustainability risks. The Statement communicated Dicker Data's approach to salient human rights and labour risks and the actions taken to combat them.

Audit & Risk Management Committee Charter

The Audit and Risk Management Committee Charter outlines the responsibilities of the Committee by the Board of Directors of Dicker Data. The Committee has the role of assisting the Board in fulfilling statutory, fiduciary and regulatory responsibilities.

The Committee is expressly given the responsibility of reporting to the Board on matters relating to ESG risks, including social sustainability risks, and formulating strategies on how to manage such risk.

Code of Business Conduct

The Dicker Data Code of Business Conduct (Code) sets out our core values, commitments, standards and policies for our business and our people. Endorsed by the Board, the Code applies to all employees of Dicker Data as well as those who act on behalf of, or are associates of Dicker Data.

Our Code commits Dicker Data to supporting the United Nations' Universal Declaration of Human Rights and the International Labor Organisation's Fundamental Conventions. The Code requires that employees report if any actual or suspected modern slavery practices are found and to participate in training on modern slavery from time-to-time.

Reseller Terms and Conditions

A number of developments over the course of FY22 resulted in the delay of our Reseller Terms and Conditions rollout. However, the Reseller Terms have largely been developed and will ensure that Dicker Data's contracted resellers uphold specific warranties and expectations, including those relating to compliance with our policies and procedures.

Whistleblower Policy

We believe that every employee should have the chance to speak up anonymously when they see conduct not aligned to our corporate values or not in compliance with applicable law. Our Whistleblower Policy establishes the mechanism by which our staff can freely (and anonymously, if desired) report conduct that goes against the values and standards of Dicker Data. This includes any concerns regarding modern slavery in our operations and supply chain.

In FY22, Dicker Data received zero reports of actual or suspected reports of modern slavery through our whistleblower hotline and other channels for reporting.

Supply Chain

FairSupply's analysis of our comprehensive supply chain yielded positive results in that there was a significant reduction in the number of theoretical slaves estimated to be existing in our supply chains. The majority of our risk arises in tiers beyond our direct suppliers, limiting our ability to appropriately leverage our relationships to mitigate such risk. Despite this, the results of our mapping exercise have provided Dicker Data with positive signs of improvement.

The changes in our supplier spend that come with the expansion of Dicker Data over the last two years has significantly altered the profile of our supply chain. However, the analysis provided allows Dicker Data to actively identify and target specific areas of focus, including certain suppliers, industries and geographies.

Education

In FY22, Dicker Data rolled out our development platform, ELMO Learning. The platform provides a centralised training and education resource for all of Dicker Data's employees to better equip themselves with skills and knowledge relating to specific topics, including modern slavery.

Our modern slavery training module on ELMO was made compulsory for all staff during FY22 and was formed to better educate our staff and equip them with the requisite knowledge to appropriately recognise, report and mitigate the risk of modern slavery within our operations and our supply chain.

Assessing the effectiveness of our actions

The FairSupply analysis of our comprehensive supply chain provides a number of metrics by which we measure our success in mitigating modern slavery.

Despite our total spend amount increasing since FY21, our analysis yielded a reduction of 31.41% in the number of total theoretical slaves in our supply chain, demonstrating a significant improvement by our partners around the world in managing and mitigating their modern slavery risk. This reduction in our modern slavery risk presents a positive result in the context of recorded increases in the Global Estimates of Modern Slavery published by the International Labour Organization, which indicated an increase of approximately 10 million more people in modern slavery from 2016 to 2022.

Measuring our modern slavery risk profile by every \$1 million spent to allow for a more even year-on-year comparison, we found a 46.6% reduction in the total number of theoretical slaves per million dollars spent.

Our analysis of our top 20 suppliers (in terms of modern slavery risk presented) revealed some new entrants in the top 20 that are slightly lagging in the actions taken to mitigate modern slavery risk. Despite this, the response of these suppliers remains fairly strong in the due diligence of and auditing their suppliers representing a level of engagement

with their respective supply chains, especially those that constitute our “tier 2” suppliers.

Dicker Data’s key direct suppliers consist of large cap, mature companies within the IT space with whom our ability to direct terms and impose requirements upon is limited. However, aided by the FairSupply analysis and our own due diligence, we remain confident in our partners and their ability to appropriately manage their modern slavery risk, as demonstrated by the above improvements in metrics.

Consultation Process

As Dicker Data continues to grow, so too does the need to ensure that we maintain a unified response to the risk of modern slavery across our operations and supply chains. We recognise that each of our controlled entities have an integral role in ensuring a consistent group-wide approach to the risk of modern slavery and as such, we have implemented a number of initiatives to ensure a holistic and uniform approach to modern slavery.

We undertook a consultative process with our controlled entities through meetings of the Executive team and our key personnel. With the roll out of our ELMO Learning platform, Dicker Data was able to conduct groupwide training and education programs to ensure a uniform understanding of, and a consistent approach to, the risk of modern slavery.

Our policies and procedures are reviewed by the Executive team and with extensive consultation with the various stakeholders across Dicker Data. These policies and procedures contain our approach to human rights, social sustainability and our modern slavery response, ensuring broad dissemination of our approach to modern slavery.

Geopolitical Impacts

Operations

Dicker Data expects that changes in the supply chains of IT related hardware will lead to a shift in market demand and pricing of our goods due to an increase in the supply of chips in the market. This combined with economic factors such as interest rates will require Dicker Data to undertake a more disciplined approach to our investments and management of capital to ensure our ongoing profitability but not at the cost of our sustainability goals.

In FY22, Dicker Data remained committed to supporting hybrid work environments and improving access to our Employee Assistance Program in order to support our staff and empower their wellbeing.

Supply Chain

Global chip shortages, the continuing effect of the pandemic and geopolitical instabilities in Europe have led to some supply chain constraints over FY22, including rather large backlog orders with certain suppliers. However, these have begun to subside.

Dicker Data maintained our working relationship with our key suppliers. Our top 20 suppliers (in terms of \$ spent) remained fairly consistent from year-to-year with 85% of our top 20 from FY21 remaining in FY22. Of the 15% that fell out of our top 20 suppliers, we note that the expenditure with those suppliers remained fairly consistent with previous years.

In doing so, Dicker Data was able to maintain spend with suppliers and prevent the downward pressure which may lead to increases in modern slavery risk as suppliers attempt to save labour costs and maintain profitability in the face of decreased sales and revenue.

2022 and beyond

With the establishment of DAS, improvements in our modern slavery risk profile and a continually evolving geopolitical environment, FY22 has been significant for Dicker Data in executing our strategy to assess, identify and mitigate modern slavery risk.

Expectations of cooling market demand for certain technology in FY23 presents a significant obstacle for Dicker Data, but we remain confident in our broadening scope of operations and our continued economic performance.

As always, Dicker Data's approach to our economic performance will not be at the expense of our sustainability goals as we continue to bolster our approach to sustainability, ethical behaviour and corporate social responsibility. As such, we will continue to improve our response to modern slavery risk, both in our operations and in our supply chains as part of our wider ESG response.

We will continue to comprehensively analyse our operations and supply chains with support from industry experts and technology providers to better understand our sources of risk and formulate appropriate strategies to effectively address and mitigate them.

Document Management

Revision Date	Nature of Amendments
28 June 2023	Approved by the Board of Dicker Data
29 June 2022	Approved by the Board of Dicker Data
01 June 2021	Approved by the Board of Dicker Data