

MODERN SLAVERY STATEMENT 2022

1. Introduction

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (**Act**) for Alloys Computer Unit Trust trading as Alloys International Printer and Hardware Division Pty Ltd ABN 71 534 566 842 (**Alloys**) for the reporting year ending 30 June 2022 (**reporting period**).

The ‘Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities’ describes modern slavery as situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. It refers to serious exploitation and encompasses human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruitment, and the worst forms of child labour.

Alloys is committed to operating our business lawfully and with high ethical standards. We will take measures to minimise the risks of modern slavery in our business operations and supply chains.

2. Our structure, operations and supply chains

Alloys is an Australian family owned and operated business, with its head office based in Victoria. The only other entity that Alloys has common ownership and control with is Proscan NZ Ltd (**Proscan**). Proscan is based in New Zealand, is not a reporting entity under the Act but is reported on and included in this statement in line with the Act.

Alloys and Proscan (together referred to as **Alloys, we, us** or **our**) is a specialist information technology distributor that provides our valuable partners with knowledge and growth opportunities. Our mission is to improve the capabilities, profitability and opportunities of SME technology resellers.

We are strategically located to service our partners, with four branches across Australia – Melbourne, Sydney, Brisbane and Adelaide – each with its own showroom and distribution centre. In New Zealand, we are supported by a local third-party logistics company to warehouse our products and despatch orders at Alloys’ directions. The Proscan business, for all intents and purposes, is managed from Australia by members of the Alloys leadership team, corporate functions and employees, subject to Alloys policies and processes.

At the end of the reporting period, our workforce consisted of 70+ employees based at our four Australian branches, an outsourced support team of 11 based in the Philippines, and a third-party logistics provider of 1 based in New Zealand.

Our operations include largely selling and distribution of products within three specialist divisions to predominantly Australian resellers. The three divisions are Print and Imaging, Audio Visual, and Technology Solutions. A new, small part of our business also provides technical and on-site installation services of the products we sell in Australia.

Our main supply chain comprises of 40+ international and local supplier partners that provide the products we sell. In addition, Alloys also sources other products and services to support our operations, including couriers, on-site installation services providers, professional services suppliers, outsourced support team, third-party logistics provider, ICT infrastructure, utilities, facilities management and maintenance, equipment, office consumables, and other supplies, from predominantly Australian suppliers and some overseas suppliers.

3. Risks of modern slavery practices in our operations and supply chains

The 'Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities' describes the risks of modern slavery practices as the potential for an entity to cause, contribute to, or be directly linked to modern slavery through its operations and supply chains.

As Alloys maintains full control of our operations in Australia, there is minimal risk of Alloys causing modern slavery as we continue to have policies, procedures and practices in place to ensure that our business remains legally compliant and ethical in terms of our employee entitlements and workplace conditions, and that our employees treat each other with fairness, respect and dignity. We are proud of our culture and values, and our employees continue to be highly engaged as demonstrated by Alloys' high engagement score.

Alloys acknowledges there is potential risk of modern slavery practices in engaging a business process outsourcing services provider located in the Philippines to provide a support team for our day-to-day operations, given the country's higher prevalence risk of modern slavery based on the 2018 Global Slavery Index. To minimise this risk, when we sourced our Philippines outsourcing supplier in 2016 we did so with an Australian based organisation and ensured that they have values and practices aligned with Alloys'. Although the supplier was acquired by another global entity in early 2022, the alignment of our values and culture is retained, any change to the way the organisation operates has been negligible, and we continue to have controls in place to ensure the risk remains low.

As an information technology distributor, Alloys recognises that the industry in which we operate has the potential to be at a higher risk of being connected to modern slavery practices given many of our multinational supplier partners have manufacturing operations, and/or sourced parts, components or raw materials from third parties, in countries where corruption levels and human rights violations can be considered on the higher side, with a lack of legal entitlements and/or enforcement of protections for workers.

In terms of our other supply chains that operate and deliver services in Australia and New Zealand (couriers, on-site installation services, professional services, third-party logistics provider, ICT infrastructure, utilities, facilities management and maintenance), this area is considered low in modern slavery risk.

4. Actions taken to assess and address modern slavery risks

During this reporting period, Alloys continued to improve on our frameworks and processes to mitigate modern slavery risks in our operations and supply chains, as follows:

- **Modern slavery training**

We continued to review our training material on modern slavery risk indicators, impacts and compliance and refresh staff training where required.

By the end of the reporting period, all new leaders and team members in the products, purchasing and finance teams who engage with suppliers as part of their roles have undertaken their modern slavery training.

- **Supplier onboarding process**

We reviewed our supplier onboarding process requiring new suppliers to complete the modern slavery supplier questionnaire to enable initial risk assessment, and found the process needs to be strengthened to ensure these suppliers provide their completed questionnaire to us in a timely manner. Moving forward, the revised process will include escalating and involving the team member who engaged the prospective supplier where required, to resolve their onboarding.

From this process review, we will also be refining our supplier process to ensure existing suppliers who had been dormant are also sent the modern slavery supplier questionnaire when re-supplying, for completion and assessment.

- **Engaging with supplier partners**

During our last reporting period, Alloys commenced engaging with our 200+ supplier partners who had supplied products and/or services during the past 12 months to ask them to provide their modern slavery statement and/or complete the supplier questionnaire. We have received responses from 87% of targeted suppliers and recorded such responses as part of our supplier records. Of the 13% of suppliers who have not responded despite repeated follow-ups, 38% are government bodies where Alloys' ability to exert influence is limited, and the other remaining suppliers' accounts have been put on hold until we are able to assess their modern slavery risk.

From the data collated:

- Of the 40+ supplier partners that provide the products we sell, 67% are based in Australia and the others located in United States, China, Czech Republic, Poland, Hong Kong, Taiwan and Singapore. The Australian suppliers represent 92% of our annual total product supplier spend, with many being large multinationals with published modern slavery statements and have modern slavery compliance measures in place; and
- Of the other supplier partners, 99% are based in Australia and the remaining located in United States. The Australian suppliers account for nearly 100% of our annual total other supplier spend.

The responses we received from the 87% of targeted suppliers show no obvious risks of modern slavery. It is noted our approach as part of this process has been to consider suppliers in a holistic manner rather than using a formal scoring matrix.

We will continue to engage and work with our existing and new suppliers to mitigate the risks of modern slavery practices through our supply chains.

5. Assessing the effectiveness of actions taken

During this reporting period, Alloys did not detect any modern slavery violations in our Australian operations, the Philippines outsourcing supplier providing our support team and the New Zealand third-party logistics company providing warehousing support. We also did not detect any modern slavery violations from the responses we received from our targeted supplier partners.

However, we have identified our new supplier onboarding and existing supplier re-supply processes can be strengthened and refined as outlined in section 4. These revised processes will be reviewed and reported on in our next reporting period.

We will continue to monitor the effectiveness of the policies, procedures, processes and practices in place to mitigate modern slavery risks in our operations and supply chains by tracking our actions and outcomes, engaging and working with our suppliers and other external partners, and undertaking periodic internal governance and external assurance processes. From these results, we will strengthen our actions where needed to continually improve our response to prevent modern slavery.

6. Consultation with Proscan

As mentioned in section 2, Proscan is managed by members of the Alloys leadership team, corporate functions and employees, subject to Alloys policies and processes.

The consultation process included working with members of Alloys leadership team managing Proscan, including common owners of Alloys and Proscan, to prepare this statement.

This statement was approved by the Board of Alloys.

A handwritten signature in black ink, appearing to be "PH" or similar initials, written in a cursive style.

Paul Harman
Chief Executive Officer

Date: 16 December 2022