

MODERN SLAVERY STATEMENT

Arq Group Enterprise Pty Limited

ACN: 626 006 111

Registered Office: Level 10, 505 Little Collins Street, Melbourne VIC 3000

Arq Group's structure, operations and supply chains

Arq Group is an Australian digital solutions company, incorporated in Australia with over 300 employees with offices in Sydney, Melbourne and Brisbane.

Arq Group's main operations are the provision of digital services including managed services, cloud services, data analytics and mobile app design.

Arq Group's supply chains are predominately servicing for software, hardware and network support for data and call centres, and digital platforms. These supply chains, whilst predominately Australian based, are also procured from USA, Nigeria, Singapore, Philippines and India.

Risk of modern slavery practices in operation and supply chains

Arq Group currently procure over 100 suppliers, both direct and indirect. Prior to 2 March 2020, Arq Group was a subsidiary of Webcentral Group Limited (ASX:WCG).

Following divestment from Webcentral Group, Arq Group has been undergoing an extensive discovery process to map out its broad operations and overall supply chain structure. We intend to use this map and scoping exercise to identify the general sectors and industries procured, and any trends involved in procuring Arq Group's suppliers for its operations.

We have identified in our initial scoping of direct suppliers that there are geographical risks which **may contribute** to modern slavery through our arrangements with overseas technical support suppliers. These international suppliers are based in India, Nigeria and The Philippines, procured with a focus on minimising business support and development cost.

Ongoing actions to address risks

As Arq Group considers its responsibility over the first reporting year, we will prioritise our assessment and action in areas of our operations and supply chains which potentially may involve higher risks of modern slavery. This approach is based on the UN Guiding Principles for organisations to focus on the most 'severe risk' (a risk that would cause the greatest harm to people). We consider that services procured through international suppliers would have the higher risks.

The primary focus for the business will be to commence screening and undergoing audits of international suppliers. As supplier contracts renew, we will ensure those renewal agreements impose a duty on our suppliers to ensure their

practices do not incite risks to modern slavery, and include a *right to audit* and *Modern Slavery* clauses. This supports our responsibility under the Modern Slavery Act as an Australian business to safeguard that our supply chain is protected against modern slavery risks.

Additionally, the business will carry out due diligence and remediation processes which include:

- Where we consider it necessary, identifying and performing an internal audit of our current suppliers, specifically those procured overseas;
- Ensure supplier contracts are consistent with Arq Group standard *Supplier Agreement* terms where possible;
- Screening new/proposed suppliers in accordance with our corporate governance guidelines and internal supplier risk assessment;
- Introducing internal training on modern slavery and process for incident reporting.

Assessment of the effectiveness of these actions

Over the first reporting year, Arq Group have developed the below Key Performance Indicators (KPI's) which provide a measure of effectiveness (in both qualitative and quantitative ways) in order to evaluate whether our primary aim has resulted in a decrease in modern slavery risks within our supply chain. We refer specifically to our due diligence and remediation processes when assessing these goals:

These specific KPI's include but are not limited to:

- The number of new suppliers which have included clauses around *modern slavery* and audit requirements;
- Completion of internal staff training, and how incident reporting processes have been implemented;
- Considering any trends in cases or risks reported;
- Review our *Risk Management Process*, what information is being drawn out of it, and any accomplishments of minimising risk to date.

As we are in the first reporting year, we do not consider we need to partner with an external auditor or NGO to undertake an independent review of our actions. We will continue to track our progress against these KPI's and consider whether this may change in the next reporting year

This statement is made pursuant to section 13(1) of Modern Slavery Act (Commonwealth) 2018. It constitutes the statement of Arq Group Enterprise Pty Ltd for the year ended 31 December 2020 and was approved by the Board of Directors of Arq Group Enterprise Pty Ltd on 12-03-2021 | 4:26 PM AEDT

DocuSigned by:

D86ECA4034C142E...
Tristan Sternson
CEO and Managing Director