

## Modern Slavery Statement 2023

Data#3 Limited ABN 31 010 545 267

### Who the reporting entity is | Section 16(1)(a)

Data#3 Limited and its controlled entities (**Data#3**)<sup>1</sup> are collectively subject to the *Modern Slavery Act 2018* (Cth) (**Act**) that commenced operation on 1 January 2019. The Act requires reporting entities to produce an annual modern slavery statement (**Statement**). This Statement is intended to meet the Act's requirements by outlining Data#3's approach to assessing and implementing actions to minimise the risk of modern slavery in its operations and supply chain during the reporting period commencing 1 July, 2022 and ending 30 June, 2023 (**Reporting Period**).

This is Data#3's fourth Statement. Over the past year Data#3 has continued to refine its programs to identify and mitigate the risk of modern slavery across its business and supply chain. In its 2022 Statement, Data#3 shared its commitments and focus for the year to come. This Statement outlines Data#3's progress since the 2022 statement and sets the priorities for the coming year.

Data#3 opposes slavery in all its forms<sup>2</sup> and is committed to operating its business lawfully and ethically. Data#3 expects its suppliers to align to its minimum standards by operating in accordance with all applicable Modern Slavery laws including those prohibiting human slavery and slavery like practices, human trafficking, and child labour. Data#3 values and observes all laws regarding corporate social responsibility, environmental and workplace safety protection and staff inclusion and diversity.

### Data#3's structure, operations and supply chain | Section 16(1)(b)

#### Structure and operations

Founded in 1977 and listed on the ASX in 1997, Data#3 is an IT services and solutions provider operating in the technology sector. Data#3 offers software and technology infrastructure solutions to customers for re-sale and delivers consulting, procurement, resourcing, project and managed services to its customers. Data#3 and its controlled entities are structured into three revenue earning lines of business (Software Solutions, Infrastructure Solutions, and Services), and two operational support lines of business (Corporate Services and Shared Services).

Data#3 is headquartered in Brisbane, Australia, and operates across 12 locations in Australia and Fiji. For a more detailed overview of Data#3's business and strategy, please see the [Data#3 annual report \(Annual Report\)](#) and the information available on the [Data#3 website](#).

#### Supply chain

Data#3 partners with market-leading vendors to provide access to the latest technologies, products and services for its customers.

Over 90% of Data#3's supplier-spend during the Reporting Period was paid to suppliers with Australian-based subsidiaries, with whom Data#3 deals directly, including all key vendor partners.

Further details on the types of suppliers that Data#3 uses for various operational activities are set out below:

<b>Data#3 Lines of Business</b>	<b>Nature of operations (activity undertaken to pursue business objectives)</b>	<b>Associated supply chain (products and services, including labour, that contribute to the relevant operation/business activity)</b>
Software solutions	Re-sale of software licensing to end users from third party software vendors.	Third party software and cloud vendors. For insights see generally <a href="https://www.data3.com/partners/">https://www.data3.com/partners/</a> and the Annual Report.

<sup>1</sup> See entities described in the Data#3 Annual Report (Business Aspect Group Pty Ltd, Business Aspect (Australia) Pty Ltd, Business Aspect Pty Ltd, Business Aspect (ACT) Pty Ltd, CTG Consulting Pty Ltd, Discovery Technology Pty Ltd and People Aspect Pty Ltd).

<sup>2</sup> See generally the definition of modern slavery set out in section 4 of the *Modern Slavery Act 2018* (Cth).

	Delivery of software asset management services and licensing consulting services (to assist with deployment, adoption and management of end-user software).	Contractors and sub-contractors who deliver services to customers on behalf of Data#3.
Infrastructure solutions	Re-sale of technology infrastructure (server, storage, networks and devices) to end users	Third party technology infrastructure vendors and distributors, see generally <a href="https://www.data3.com/partners/">https://www.data3.com/partners/</a> and the Annual Report.
Services	Delivery of Project Services for the design and implementation of technology solutions	Data#3 staff, contractors and services sub-contractors who deliver services to customers on behalf of Data#3.
	Support services (including managed services/service desk operations and maintenance services)	Data#3 staff, contractors and services sub-contractors who deliver services to customers on behalf of Data#3.  Third party technology infrastructure vendors and distributors, see generally <a href="https://www.data3.com/partners/">https://www.data3.com/partners/</a> and the Annual Report.
	People Solutions/recruitment business for the provision of IT contractors and permanent staff	Data#3 staff, contractors who deliver services to customers on behalf of Data#3.
	Business Aspect Consulting (management consulting services)	Data#3 staff, independent contractors who deliver services to customers on behalf of Data#3.
	Discovery Technology (Wi-Fi network and Wi-Fi analytics business)	Third party technology infrastructure vendors and distributors.
Corporate and Shared Services functions	Direct employment or engagement of over 1200 employees (sales, management, logistics and support teams) across Australia and Fiji.	Business premises landlords, utilities, cleaning and maintenance contractors, technology and office consumables for internal corporate use, uniforms and work attire.

## Risks of Modern Slavery practices in operations and supply chain | Section 16(1)(c)

During the previous three reporting periods, reviews were primarily focused on:

- Data#3's own operations and the location and industry of the suppliers who received the majority (over 90%) of Data#3's annual spend
- Services Providers located in jurisdictions with higher risk profiles of modern slavery and potentially less government or industry support for workers
- Impact of the COVID-19 pandemic on vulnerability of workers to modern slavery
- Preliminary investigations into mapping the supply chain beyond Tier 1 Providers

During the current Reporting Period, Data#3 has continued to implement its due diligence and monitoring programs to identify the likely risks of modern slavery practices across its operations and supply chain. The COVID-19 pandemic's impact on workers' vulnerability to modern slavery remains relevant this year. This added to the existing complexity of identifying and monitoring modern slavery risks and designing controls for complex global supply chains that span across different sectors. Despite the complexity, Data#3 remains committed to progressing the maturity of its due diligence program and continuing the journey of mapping its supply chain beyond Tier 1 Providers.

During the current Reporting period, Data#3 continued to enhance its procurement, due diligence and governance controls, and has taken steps to initiate a more targeted risk review throughout other tiers of its supply chain.

## Operations

Data#3 operates within the Australian technology industry. This industry is not considered to be a high risk industry for Modern Slavery.<sup>3</sup> However, Data#3 recognises that Australia is a high importer of at-risk products, namely electronics (as defined by the Global Slavery Index). This informs where we devote efforts to ensuring that our Modern Slavery Policy is adhered to by our supply chain. Data#3 has determined that there is a low risk of Modern Slavery practices occurring and confirms that it has full visibility over operational activities directly undertaken by Data#3 staff and contractors. Further, these activities are covered by Data#3's Risk Management Policy and framework, with key Policies that ensure adherence with local labour, health, safety and employment laws. It is also noted that Data#3 is accredited under applicable Australian Labour Hire Licensing Legislation.

## Supply chain

When measured by value, the majority of payments are made to technology providers in Australia and the United States. As above, the technology industry in both Australia and the United States (within which Data#3's largest providers by spend operate) has a classification that remains outside of that considered as high risk industries for Modern Slavery.<sup>4</sup>

Data#3's providers support the Software and Infrastructure Solutions businesses by supplying finished products. Data#3 does not manufacture its own products or source any of the components/raw supplies related to the products that are then sold to customers. Nor does Data#3 "badge" third party supplier products as its own.

As with previous years, while Data#3's 10 largest suppliers by spend are well-established and provide a level of transparency around efforts made to eradicate Modern Slavery from their operations and supply chain<sup>5</sup>, Data#3 still identifies certain risks at indirect levels of the supply chain as follows:

- *Being a reseller of electronics (laptops and computers)* - Data#3 notes that these goods are at risk of having been produced through Modern Slavery to the extent sourced from certain locations;<sup>6</sup>
- *Generally dealing with hundreds of providers, many of which are small and are not required to account for their practices under legislation and whose size and capability may not lead to robust risk identification/mitigation or due diligence processes over their own supply chain risks* - Data#3 acknowledges that even where these risks may not have been identified, there is the potential for them to exist. This is why Data#3 has sought to continuously improve its coverage of suppliers through a phased due diligence approach.

## Data#3's approach/action taken to assess and address the risk of Modern Slavery practices in its supply chain including due diligence and remediation processes | Section 16(1)(d)

Data#3's key actions, over this Reporting Period, to assess and address the risk of Modern Slavery practices in its operations and supply chain are summarised below. Generally, the Reporting Period's activities constituted a continuation of the program of works commenced in the previous reporting period with an eye to continuing compliance and improvement where needed.

### Continued action: Reporting and monitoring of grievances

- Data#3's Whistleblower Policy allows whistleblowers to raise concerns in a confidential manner. It is also available for individuals who wish to report Modern Slavery concerns. Where grievances or concerns are raised, Data#3 investigates and addresses concerns in accordance with that policy.
- Data#3 has an established Code of Business Ethics that informs how our people can raise concerns appropriately.

<sup>3</sup> <https://www.walkfree.org/global-slavery-index/country-studies/australia/>; see high risk Australian industries include agriculture, construction, domestic work, meat processing, cleaning, hospitality and food services

<sup>4</sup> <https://www.globalslaveryindex.org/2018/findings/country-studies/united-states/>; see high risk United States industries include domestic work, agriculture and farm work, travelling sales crews, restaurant or food services and health and beauty services.

<sup>5</sup> <https://www.modernslaveryregistry.org/>

<sup>6</sup> See Page 220 of the Global Slavery Index published by the Walk Free Foundation

- Data#3 continues to provide training on its whistleblower policy and process to its employees to promote awareness and increase effectiveness.
- No Modern Slavery concerns were raised by customers or vendors with Data#3 through this reporting channel during the Reporting Period.
- The Provider management system, known as "ProPEL" (Provider Performance Lifecycle Management System), has been enhanced and it now has a Provider dashboard which reflects the compliance status of all Providers. This will help inform business risk and decision-making.
- Data#3 continues to be responsive to specific modern slavery related due diligence requests from customer and vendors.

## **Continued action: Internal policies and governance processes**

- The cross-functional Modern Slavery working group was established in FY2020 to periodically review the approach/framework for addressing Modern Slavery risks across operations and supply chain, monitor internal control systems, policies and procedures to ensure they remain effective in identifying, preventing or remediating those risks. The working group continues to involve functional areas of legal, supply chain operations, vendor management, finance and human resources.
- The Board (through the Audit and Risk Committee) continues to receive reports on the status of actions and provides guidance on future focus and enhancements of planned actions to improve Data#3's approach.
- Data#3 continues to disseminate [its Modern Slavery policy](#). The policy describes Data#3's zero-tolerance approach to Modern Slavery and the procedures, governance and framework adopted to reflect this approach. This policy is regularly reviewed.
- Data#3 continues to review key policies. These documents are designed to reflect Data#3's principles and expectations and give customers comfort that Data#3 is focused on ensuring providers have clear expectations in relation to their Modern Slavery risks. As an example, Data#3 refers to its Code of Business Ethics.

## **Continued action: Communicating Data#3's expectations of suppliers in a provider code of ethics and conduct and enforcing expectations through contractual controls**

- Data#3 believes in fostering mutually beneficial partnerships to meet the objective of working with suppliers that are aligned to the company's values and expectations. During the first Reporting Period, Data#3 adopted its [Provider Code of Ethics and Conduct](#) to give providers a clear statement of Data#3's expectations in relation to professionalism and ethical conduct and its approach to corrective action, support and termination of supply arrangements.
- Previously, Data#3 also took steps to develop and revise its standard terms and conditions of purchase to contractually enforce compliance with Modern Slavery laws, associated audit and termination rights. During the previous Reporting Period, Data#3 expanded upon this by incorporating the same terms and conditions into our online purchase order terms and conditions. Data#3 continues with this approach across its procurement and contract review processes. Comprehensive modern slavery provisions were drafted in to the Data#3 subcontractor agreement template during this reporting period, ready for rollout to new subcontractors in the upcoming reporting period.
- Data#3 believes the above actions not only assist it to monitor and ultimately prevent modern slavery compliance issues in its supply chain but also increase awareness of the risks of modern slavery through training and induction of providers.

## **Ongoing action: Reinforcing employee awareness through training**

- Data#3 continued with a larger scale company-wide training program to provide education regarding Modern Slavery risks and the specific details of the activities, expectations and initiatives that Data#3 has implemented to address these risks. Enhancing company-wide awareness of the risks of modern slavery and the reporting mechanisms available to staff and other stakeholders remains a focused priority.

## **Ongoing Action: Continue Auditing existing suppliers**

- During the first Reporting Period, Data#3 developed a supplier questionnaire to obtain information from select and diverse group of existing suppliers on how they currently approach Modern Slavery risks in their operations and supply chains. The use of that questionnaire has continued. Through this process Data#3 continues to:
  - o better identify higher risk areas in its supply chain; and
  - o better understand which of its suppliers already have robust governance processes in place and those who will require closer attention to complete a satisfactory due diligence process.
- The engagement and feedback Data#3 received as part of the above process continues to inform and help Data#3 to enhance its compliance framework. In particular, it guides decisions on where to focus attention and which providers warrant deeper risk reviews.
- While there were no notable concerns raised during the Reporting Period, Data#3 conducted due diligence reviews, legislative and salary/award reviews, employee satisfaction surveys and a practical, targeted questionnaire.

## **Future commitments and internal assessment of action taken | Section 16(1)(e)**

In line with Data#3's continuous improvement approach to identifying and reducing the risks of Modern Slavery in its operations and supply chain, the company has committed to continuing with similar priorities for the next reporting period:

- continuing to enhance the maturity of the **provider due diligence program**. This includes increased engagement with providers to better understand their supply chains and any potential risks of modern slavery they face;
- continuing to **develop a due diligence plan for providers beyond Tier 1 to Tier 2 and other higher risk classification regions and providers**;
- continuing to **develop internal processes to ensure Data#3 can track the effectiveness of its strategy** and processes adopted during this Reporting Period (and on an ongoing basis) in accordance with the Act. This includes the annual review process and automated ProPEL tools, dashboards and reporting;
- increasing **engagement with other key stakeholders** (experts, peers, communities and customers) to facilitate knowledge sharing, cross-sector collaboration and building capabilities;
- strengthening **collaboration with suppliers to raise awareness**, communicate Data#3's zero-tolerance approach to Modern Slavery and dealing with issues if and when they arise; and
- continuing **larger scale company-wide training program** to provide education and to ensure that Data#3's people are aligned and part of Data#3's strategy in addressing the risks of Modern Slavery.
- Continuing to mature Data#3's program by embedding sustainability and human rights into operations throughout the organisation.

## **Process of consultation with Data#3 controlled entities | Section 16(1)(f)**

During the Reporting Period, Data#3 Limited consulted with all of its controlled entities in the development of this Statement. These entities are set out in Footnote 1 on page 1 of this Statement. Consultation was achieved through the continued work of the cross-functional Modern Slavery working group. This working group support the activities of Data#3 Limited and its controlled entities. This working group directly discusses all of the reporting requirements of the Act and is the way in which relevant materials and updates are disseminated across Data#3.

## **Details of approval by principal governing body | Section 16(2)(a)**

This statement is made under section 13 of the Act and has been approved by the Data#3 Board on 15 December, 2023.



Laurence Baynham – Managing Director



Terence Bonner - Company Secretary