

MODERN SLAVERY STATEMENT 2020

1. Introduction

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) for Alloys Computer Unit Trust trading as Alloys International Printer and Hardware Division Pty Ltd ABN 71 534 566 842 (**Alloys**) for the period 1 July 2019 to 30 June 2020 (**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 risk of modern slavery in our business operations and supply chains.

The purpose of this first statement is to outline the actions Alloys has taken during this first reporting period to assess and address modern slavery risks in our operations and supply chains, and how Alloys plans to continue to improve our frameworks and processes for the future.

2. Our structure, operations and supply chains

Alloys is an Australian family owned and operated business, with our head office based in Victoria. The only other entity that Alloys owns and controls is Proscan NZ Ltd, which company forms part of Alloys' operations being managed within Australia.

Alloys 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. At the end of the reporting period, our workforce consisted of 70+ employees based at our four Australian branches and an outsourced support team of 8 based in the Philippines.

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, 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 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.

Alloys acknowledges there is potential risk of modern slavery practices in engaging a business process outsourcing services provider 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 ensured that the organisation has values and practices aligned with Alloys'. Further, we continue to have controls in place to keep this risk 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 multi-national 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 (couriers, on-site installation services, professional services, 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 first reporting period, we focused on gaining a better understanding of modern slavery risks and how these risks may be present in our operations and supply chains. As part of the due diligence process, we have considered risk factors such as the sector and industry we operate in, the types of products and services we distribute and provide, as well as the geographical locations where products are manufactured and services provided.

In terms of Alloys' operations, we were unable to identify any instances of modern slavery practices within our Australian operations during the reporting period. As mentioned under section 3, Alloys has policies, procedures and practices in place, including continuous improvement and review processes, to ensure that our business remains legally compliant and ethical. We are proud of our culture and values, and our employees are highly engaged as demonstrated by Alloys' high engagement score.

Our preliminary assessment of the Philippines outsourcing supplier who provides our support team also presented us with no immediate concerns in terms of modern slavery practices. We will continue to have our procedural controls and reviews in place to keep this risk low.

We also consider the risk of modern slavery practices occurring in our major suppliers who are large multi-national companies as low, or if such risks have been identified they are being addressed, because these companies already have their own modern slavery compliance measures in place. We

are aware that our major supplier partners have published modern slavery statements under the US, UK, and/or Australian legislation.

Actions to identify and address potential risk scenarios of our wider supplier engagement activities will be our focus over the next reporting period, with priority on reviewing data captured and recorded of our supplier partners to aid in identifying modern slavery risks.

5. Assessing the effectiveness of actions taken

During this first reporting period, Alloys' focus was to gain a better understanding of modern slavery risks and how such risks may be present in our operations and supply chains. We also undertook preliminary assessments of these risks in our Australian operations, our Philippines outsourcing supplier, as well as our major supplier partners. At this early stage, we are unable to adequately assess the effectiveness of the measures undertaken.

However, Alloys has commenced and will continue to work on developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks in our operations and supply chains.

6. Commitments for the next reporting period

For the next reporting period, our focus will be to:

- Train key staff and procurement staff in modern slavery requirements
- Review supplier contract template to ensure minimum standards are met to reduce modern slavery risk
- Engage collaboratively with our supplier partners and obtain data to aid in identifying modern slavery risks in their operations and supply chains
- Review supplier onboarding processes to capture and record more information about the individual suppliers to aid in identifying modern slavery risks
- Continue to work on developing frameworks and processes to assess the effectiveness of the actions Alloys has taken to identify and address modern slavery risks.

This statement was approved by the Board of Alloys.



Paul Harman
Chief Executive Office

Date: 25 March 2021