

Modern Slavery Statement 2020

Data#3 Limited ABN 31 010 545 267

Introduction

Data#3 Limited and its controlled entities (Data#3)¹ 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 requirements of section 13 of the Act and covers the approach Data#3 is taking to assess and implement actions to minimise the risk of modern slavery occurring in its operations and supply chain during the reporting period commencing 1 July, 2019 and ending 30 June, 2020 (**Reporting Period**).

Data#3 opposes slavery in all its forms² (**Modern Slavery**) and is committed to operating its business lawfully and ethically. We expect our suppliers to align to our 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. We value and observe all laws regarding corporate social responsibility, environmental and workplace safety protection and staff inclusion and diversity.

Our structure, operations and supply chain

Structure and operations

Founded in 1977 and listed on the ASX in 1997, Data#3 is an ASX listed IT services and solutions provider operating in the technology sector. We offer software and technology infrastructure solutions to customers for re-sale and deliver consulting, procurement, resourcing, project and managed services to our customers.

We are headquartered in Brisbane, Australia and operate across our 12 locations in Australia and Fiji. For a more detailed overview of our business and strategy, please see our annual report available online at <https://investor.data3.com/investor-centre/> (**Annual Report**) and the information available on our website <https://www.data3.com/>.

Supply chain

We partner with market-leading vendors to provide access to the latest technologies, products and services for our customers.

Over 90% of our supplier spend during the Reporting Period was paid to suppliers with Australian-based subsidiaries with whom we deal directly, including all tier one vendors.

Further details on the types of suppliers that we use for our various operational activities are set out below:

Business Area	Nature of operations (activity undertaken to pursue our business objectives)	Associated supply chain (products and services, including labour, that contribute to the relevant operation/business activity)
Software solutions	Re-sale of software licensing to end users from third party software vendors.	Third party software and cloud vendors, see generally https://www.data3.com/partners/ for a list of key vendor partners and third

¹ 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).

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

		party distributors and our Annual Report.
	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 our 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 https://www.data3.com/partners/ and our 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 our 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 our customers on behalf of Data#3. Third party technology infrastructure vendors and distributors, see generally https://www.data3.com/partners/ and our Annual Report.
	People Solutions/recruitment business for the provision of IT contractors and permanent staff	Data#3 staff, contractors who deliver services to our customers on behalf of Data#3.
	Business Aspect Consulting (management consulting services)	Data#3 staff, contractors who deliver services to our customers on behalf of Data#3.
	Discovery Technology (Wi-Fi network and Wi-Fi analytics business)	Third party technology infrastructure vendors and distributors.
Corporate functions	Direct employment of over 1000 employees (sales, management, logistics and support teams) in 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 our operations and supply chain

During this Reporting Period, we undertook a review of the potential risks of modern slavery practices across our operations and supply chain. For this first Statement, we have focused on our own operations and the location and industry of the suppliers who are receiving the majority (over 90%) of Data#3's annual spend.

Data#3 acknowledges however, that geography and industry are only two factors in assessing overall supplier risk and as we continue to enhance our procurement, due diligence and governance controls, we expect to be able to target risk areas throughout other tiers of our supply chain, including indirect supply arrangements. We expect this continuous improvement approach will ensure that Data#3 continues to enhance robust and effective processes that are embedded in how we conduct our business.

Operations

The Australian technology industry within which we operate is not considered to be a high risk industry for Modern Slavery.³ In operational activities directly undertaken by Data#3 staff and contractors, we have determined that there is very low risk of Modern Slavery practices occurring and we confirm we have full visibility over these activities. Further, these activities are covered by our Risk Management Policy and framework, and key Policies that ensure adherence with local labour, health, safety and employment laws.

Supply chain

When measured by value, the majority of our payments are made to technology suppliers in Australia and the United States. As above, the technology industry in both Australia and the United States (within which our largest suppliers by spend operate) are not considered to be high risk industries for Modern Slavery.⁴

Our suppliers supporting our Software and Infrastructure Solutions businesses supply us with finished products. Data#3 does not manufacture our own products or source any of the component/raw supplies related to the products that we sell to our Customers. Nor does Data#3 "badge" third party supplier products as our own.

While Data#3's 11 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 chain⁵, Data#3 still identifies certain risks at indirect levels of its supply chain as follows:

- Being a reseller of electronics (laptops and computers) - Data#3 notes that these goods are at risk of having being produced through Modern Slavery to the extent sourced from certain locations;⁶
- Generally dealing with hundreds of suppliers, 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.

Our approach/action taken to assess and address the risk of Modern Slavery practices in our supply chain including due diligence and remediation processes

Data#3's key actions, to date and over the Reporting Period, to assess and address the risk of Modern Slavery practices in our operations and supply chain are summarised below.

Action: Bolstering our mechanism for the reporting and monitoring of grievances

- Our Whistleblower Policy allows whistleblowers to raise concerns in a confidential manner and is also available for individuals who wish to report Modern Slavery concerns. Where grievances or concerns are raised, we investigate and address them as appropriate and in accordance with that policy.

³ <https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>; see high risk Australian industries include agriculture, construction, domestic work, meat processing, cleaning, hospitality and food services.

⁴ <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.

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

⁶ See Page 220 of the Global Slavery Index published by the Walk Free Foundation

- No Modern Slavery concerns were raised with Data#3 through this reporting channel during the Reporting Period.
- Implementing a new supplier management system, known as "ProPEL" (Provider Performance Lifecycle Management System), which has a focus on compliance areas associated with Modern Slavery, Labour Licensing, contracts, insurance, Provider performance reviews, health and safety, tax, information security, risk management and quality assurance.

Action: Developing internal policies and governance processes

- A cross-functional Modern Slavery working group was established during the Reporting Period to develop the approach/framework for addressing Modern Slavery risks in our operations and supply chain and continuously monitor our internal control systems, policies and procedures to ensure they remain effective in identifying, preventing or remediating those risks. The working group involves functional areas of legal, supply chain operations, vendor management, finance and human resources.
- Separately Data#3 has developed and adopted a Modern Slavery policy available here <https://www.data3.com/policy/>. The policy describes Data#3's zero-tolerance approach to Modern Slavery and the procedures, governance and framework adopted to reflect this approach.

Action: Communicating our expectations of suppliers in a supplier code of conduct and enforcing our expectations through contractual controls

- At Data#3, we believe in fostering mutually beneficial partnerships to meet the objective of working with suppliers that are aligned to our values and meet our expectations. During the Reporting Period, we adopted our Provider Code of Ethics and Conduct to give our valued providers a clear statement of our expectations in relation to professionalism and ethical conduct and our approach to corrective action, support and termination of supply arrangements. This code is available here <https://www.data3.com/policy/>
- Data#3 has also during this Reporting Period taken steps to develop and revise our standard terms and conditions of purchase to contractually enforce compliance with Modern Slavery laws, associated audit and termination rights. This will be an ongoing activity across our procurement processes.

Action: Developing employee awareness through training

- During the Reporting Period we developed a detailed learning module which was completed by our Board and national management team, which raised awareness about Modern Slavery risks and contained specific details of the activities, expectations and initiatives that Data#3 has implemented to address these risks.

Action: Auditing our existing suppliers

- During the Reporting Period, we 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. We expect through this process to:
 - o be better able to identify higher risk areas in our supply chain; and

- better understand which of our suppliers already have robust governance processes in place and those who we will need to work more closely with to complete a satisfactory due diligence process.

Future commitments and ongoing assessment and consultation

Data#3 adopts a continuous improvement approach in identifying and reducing the risks of Modern Slavery in our operations and supply chain. Over the next reporting period, our focus will be on:

- continuing to develop the maturity of our supplier due diligence program;
- assessing the effectiveness of our strategy and processes adopted during this Reporting Period (and on an ongoing basis) in accordance with the Act;
- strengthening our collaboration with our suppliers to communicate our zero-tolerance approach to Modern Slavery and dealing with issues if and when they arise; and
- implementing a larger scale company-wide training program to provide education and to ensure that our people are aligned and part of Data#3's strategy in addressing the risks of Modern Slavery.

This statement is made pursuant to section 13 of the Act and has been approved by the Data#3 Board on 31 August, 2020.



Laurence Baynham
Managing Director /
Chief Executive Officer



Terence Bonner
Company Secretary