

AC3 Pty Ltd Modern Slavery Statement



AC3



Revision

This statement was originally prepared on 23 December 2021 and was revised on 15 August 2022. The revisions in this statement include: changing the Reporting Entity to Klikon Group Holdings Pty Ltd ('Klikon') and clarifying that the Australian Centre for Advanced Computing & Communication Pty Ltd is a wholly owned subsidiary of Klikon.

Reporting Entity

This Modern Slavery Statement submitted by Klikon, ACN 167 162 987, a proprietary limited company registered under the Corporations Act 2001 (Cth), with its current registered office address at Level 7, 477 Pitt St, Haymarket NSW 2000 ("AC3" or "we" or "us" or "our"), is prepared in accordance with the Australian Modern Slavery Act 2018 (Cth) ("Act") for the reporting period from 1 July 2020 to 30 June 2021.

Structure

Klikon wholly-owns the Australian Centre for Advanced Computing & Communication Pty Ltd, ACN 095 046 923 ("AC3" or "we" or "us" or "our"). AC3 is the main entity that carries on business within Australia.

Operations & Supply Chain

AC3 has been a provider of ICT solutions in Australia since its inception in 2000.

The AC3 group has achieved success and grown by adhering to its values of caring for its employees, customers and partners. The AC3 group includes AC3, the primary trading entity operating in Australia, and Australian Centre for Advanced Computing and Communication NZ Pty Limited, the primary trading entity operating in New Zealand, with offices in Sydney, Melbourne, and Auckland and 299 staff and 25 contractors located in Australia and seven countries around the world. AC3 offers a full range of ICT services including:

- Managed Services
- Professional Services
- Consulting
- Resale of Hardware & Software
- Recruitment and Contracting Services

These services are supported by internal departments that underpin AC3 which include Sales, Marketing, People & Culture, Corporate Services, Office Support, Product & Technology and Internal IT.

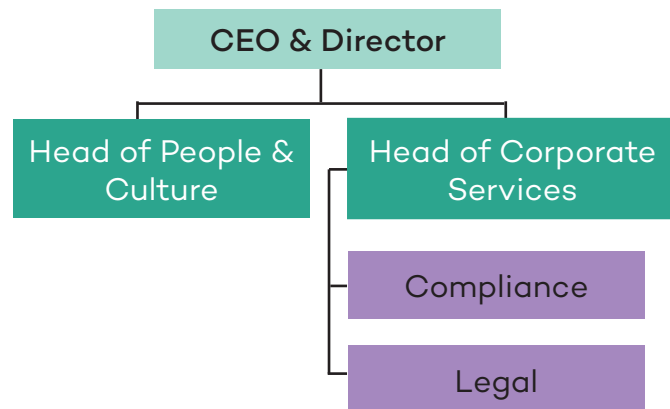
As a full-service provider of ICT solutions, AC3 has a wide and varied supply of resources that deliver services and support to customers. This supply includes the following streams:

- Employees - Individuals employed by AC3 under an employment agreement.
- Independent Contractors – Small businesses and individuals that contract to AC3 for the provision of services and contingent labour.
- Commercial Property – Supplier of commercial property and associated services in Sydney, Melbourne & Auckland.
- Distributors – Local companies that distribute hardware, software and associated services on behalf of vendors, suppliers, and manufacturers.
- Vendors – Including original manufacturers or suppliers of hardware, software, data centre services, telecommunications and all other suppliers and service providers.



Governance Structure in Addressing Modern Slavery

AC3's CEO is ultimately accountable for modern slavery compliance, with a subset of Executive leaders and their direct reports responsible for development and practical implementation of the relevant policies and programs. These executive leaders are outlined below:





Policies

AC3 is committed to conducting business with integrity and respecting human rights in accordance with its Corporate Social Responsibility Policy and to building and fostering a culture in which employees, customers and suppliers are treated with honesty, respect, fairness, and courtesy. Our Code of Conduct requires all employees, contractors, representatives, and suppliers who work with, for, or on behalf of AC3 to observe the highest standards of ethics, integrity, and behaviour in the course of their engagement.

Further, AC3 is committed to opposing slavery in all forms and to planning and taking action to minimise the risk of modern slavery occurring in our operations and supply chains in accordance with its Modern Slavery Policy.

This policy sets out AC3's requirements for all individual and entities working for or on behalf of AC3 including employees, contractors, suppliers, vendors, partners, and consultants with respect to compliance with the Act.

AC3's Whistleblower Policy provides a process that allows any individual to anonymously raise any concerns or make complaints about actual or suspected unethical, illegal, corrupt, fraudulent and other undesirable conduct, including modern slavery.

AC3 also has several policies supporting rights of staff including Code of Conduct, Workplace Harassment, Grievance and Dispute Resolution, Recruitment and Selection, Overtime, and Diversity and Inclusion.



Assessment and Management of Modern Slavery Risks

As an ICT service provider with a largely professional workforce, AC3 considers the risk of modern slavery within its direct business operations to be low. However, we recognise the possibility of AC3 being directly or indirectly exposed to modern slavery risk across its operations through its supply chain.

AC3 primarily addresses the risks of modern slavery practices occurring in its operations and supply chain through its newly formed Modern Slavery Policy. This policy takes a risk and materiality approach to identifying and investigating potential modern slavery within the businesses operations and supply chain.

Risks in AC3's Operations

AC3's People & Culture team, along with external legal counsel, perform regular reviews of employment contracts to ensure that AC3 is in full compliance with the *Fair Work Act 2009* and are paying at least award wage in all cases.

Risks in AC3's Supply Chain

For FY 2021, AC3 conducted an analysis of its supply chain and based on a materiality and high-risk approach completed an assessment on its top 9 suppliers by spend and top 2 suppliers by risk. The assessment included a Modern Slavery Due Diligence Questionnaire and desktop research to gain an understanding of each supplier's approach, controls, identification procedures and mitigations in addressing modern slavery. All responses to the Modern Slavery Due Diligence Questionnaires were reviewed and deemed satisfactory.





One supplier noted forced labour findings following an audit of its device hardware and packaging and shared devices factories in its supply chain. These nonconformances have been remediated or are in the process of being remediated. In addition, this supplier has strengthened its onboarding process for new suppliers as well as put measures in place to build understanding and capability among its suppliers and employees to prevent forced labour issues. Based on the corrective action taken by the supplier AC3 has determined that no action is required by AC3 in respect of this supplier.

Otherwise, no instances of modern slavery were noted in AC3's assessments during the reporting period, however, if any instances of modern slavery become apparent from further assessments, an action plan will be developed for these suppliers to support them in improving their process and policies in relation to modern slavery.

FY2021 Actions

Over the past year, AC3 has implemented the following measures to improve our approach to assessing and mitigating modern slavery in our supply chain and AC3's business:

- Expanded the review of suppliers to include all high-risk suppliers irrespective of spend, not only material suppliers. There will be additional focus on high risk and material suppliers, which is expected to be manufacturers of hardware where production occurred in geographies identified in the 2018 Global Slavery Index as high risk.
- Reviewed and updated, as necessary, AC3's contractor templates to include AC3's standard modern slavery compliance provisions and include express termination rights for breach of the Act.
- Included standard modern slavery compliance provisions in new vendor and contractor agreements signed.
- Provided training to appropriate AC3 staff to assist with identification of additional modern slavery risks.

AC3's Modern Slavery Roadmap for FY2022

We are committed to continuous improvement of our processes and practices to eliminate modern slavery in our operations and supply chain. Over the next year, AC3 will be taking the following measures in relation to modern slavery:

- AC3 will continue with the risk assessment process and expand the review of suppliers to include medium-risk suppliers irrespective of spend.
- Continue to review and update, as necessary, AC3's standard templates to include AC3's standard modern slavery compliance provisions and include express termination rights for breach of the Act.
- Continue to include standard modern slavery compliance provisions in new agreements as contracts with existing suppliers are renewed.
- Setup a mechanism for continued monitoring of any changes and developments in a supplier's business through an annual engagement.
- Supplier Risk Assessment to:
 - (1) Gain an understanding of a supplier's compliance with the Act; and
 - (2) Include an evaluation of the risk of modern slavery.
- Continue to provide training as needed to appropriate AC3 staff to

The Directors of AC3 in their capacity as principal governing body of AC3 approved the original statement on 23 December 2021 and this revised statement on 16 August 2022.

Simon Xistouris, in his role as the Chief Executive Officer of AC3, signed the original statement on 23 December 2021 and signed this revised statement on 16 August 2022.



Simon Xistouris
AC3 CEO

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