

# Dicker Data Limited

# Modern Slavery

# Statement

Reporting Period: 1 January 2020 - 31 December 2020

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ABN 95 000 969 362

**DICKER**  
DATA

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## CEO Commentary

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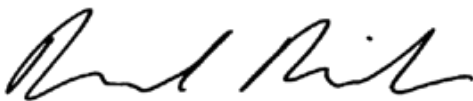
Despite a difficult year, we have managed to achieve a record year of economic performance. And despite the increased workload which drove these improved results and difficult conditions as our workforce, along with many others, moved to remote working conditions, we also managed to significantly move our action plan in respect of modern slavery.

A key part of our success is our commitment to be the best at what we do. This means constantly focussing and evaluating how we do what we do. The way we and our suppliers conduct business is critical for our continued success and the maintenance of our investor's confidence in the way we do business. I am pleased to present our inaugural Modern Slavery Statement which represents a culmination of our efforts in 2020 to fulfil our strategy to identify and mitigate the risk of modern slavery in our operations and supply chains.

We took an in-depth look at the risk of modern slavery in our operations and our supply chains by engaging with specialists and technology providers within the space. The results of our due diligence were generally pleasing as we gained greater insights into the work being done by our key suppliers. However, as we strive for continued improvement, we undertook several initiatives to further improve our performance in the modern slavery space. We will continue to drive our strategy forward for a sustainable and ethical future for our business.

The impact of COVID-19 cannot be dismissed but we have managed to excel in this period by taking the appropriate steps to minimise the pandemic's effect on our business.

This statement will go over the impressive work undertaken by our tremendous group of people over the reporting period to advance our action plan as we continue to combat the risk of modern slavery to our company.



**David Dicker**  
**Chairman and Chief Executive Officer**

This statement was approved by the Board of Directors of Dicker Data Limited

## 2020 in review

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### Entities and Structure

Responsive to Mandatory Criteria 1 and 2

- Identified reporting entities
- Described Dicker Data's structure, operations and supply chains as reflected on pages 6-8 of this Modern Slavery Statement

### Policies and Protocols

Responsive to Mandatory Criteria 3 and 4

- Updated the Code of Conduct and Corporate Governance Statement to address modern slavery risks and ensure compliance with modern slavery laws<sup>1,2</sup>
- Prepared amendments to our Reseller Terms and Conditions to drive reseller compliance with the modern slavery provisions of our policies and to establish mechanisms to investigate and remedy any identified risks or instances of modern slavery

### Due Diligence

Responsive to Mandatory Criteria 3 and 4

- Categorised Dicker Data's first tier suppliers on an industry and geographic basis to drive risk assessment
- Mapped and assessed our comprehensive supply chain using the categorised first tier data, with the assistance of FairSupply, a third party technology provider
- Performed an in-depth individual supplier analysis of 18 suppliers that were identified as having the highest number of probable slaves in their supply chain and the top five industries that pose the greatest risk of modern slavery

### Grievances and Remediation

Responsive to Mandatory Criteria 3 and 4

- Extended existing mechanisms for reporting business misconduct relating to modern slavery
- Used internal communication initiatives to reinforce staff awareness of reporting mechanisms for modern slavery concerns

### Training and Education

Responsive to Mandatory Criteria 3 and 4

- Conducted internal training on modern slavery for our executive team in a session tailored to Dicker Data, its industry and its modern slavery risk assessment
- Developed online education modules for suppliers and staff, particularly for later procurement employee onboarding

## COVID-19

Responsive to Mandatory Criteria 3, 4 and 7

- Established protocols and practices to protect the health and wellbeing of our workforce during the COVID-19 pandemic
- Maintained the continuity of first tier supplier relationships to mitigate the impact of COVID-19 on lower tiers of the supply chain and related risks of modern slavery

## Assessing Efficiency

Responsive to Mandatory Criteria 5

- Established review processes on an annual and ongoing basis to measure modern slavery risk in our supply chain
- Studied movements in our first tier supplier list in the second half of the fiscal year to assess efforts to maintain continuity in the supply chain and mitigate COVID-19 impacts

## Collaborative Efforts

Responsive to Mandatory Criteria 6 and 7

- Engaged with key operational personnel across corporate structure, including newly acquired entities, to assess, identify and mitigate modern slavery risk

# Who we are

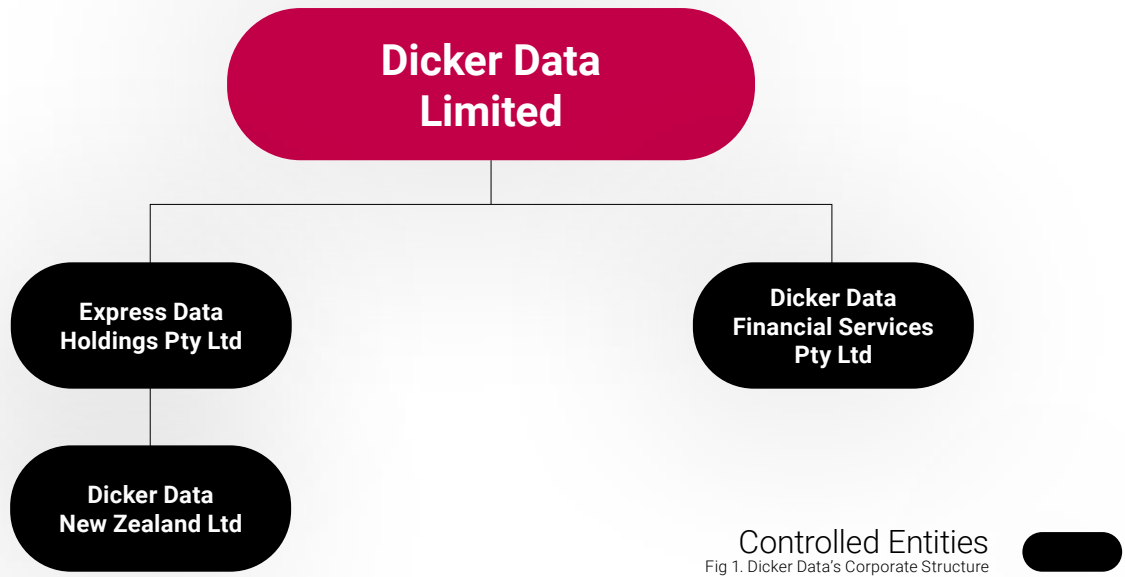
Dicker Data (ASX:DDR) is an Australian-owned and operated, ASX-listed distributor of IT hardware, software, cloud and emerging technology solutions for corporate and commercial ANZ market with over 42 years of experience. For FY20, our principal activities were the wholesale distribution of computer hardware, software and related products.

With over 6,900 active, registered resellers in our partner base, we distribute a wide portfolio of products from world-leading technology vendors including Cisco, Citrix, Dell, Hewlett Packard Enterprise, HP, Lenovo, Microsoft and other widely known technology brands. The company has proven strategies and processes in place to efficiently on board new brands and to begin delivering a return on investment quickly. In 2020, we added eight new vendors including a new distribution agreement with industry heavyweight, VMWare. A sampling of the key brands in our vendor base are provided below.



We are a vital link in the value-added technology supply chain that supports over 6,900 IT reseller partners to design, configure, deliver and deploy the technology that we provide. Our resellers operate within Australia and New Zealand and as such are able to avoid the pitfalls of modern slavery in their respective operations due to the strong legislative framework of those jurisdictions. In addition, our resellers are also subject to the modern slavery provisions of our Reseller Terms and Conditions.

## Corporate Structure



## Operations

Dicker Data Ltd is a reporting entity under s 5(1) of the Act. This statement is presented on a consolidated basis and Dicker Data Limited is reporting on behalf of the consolidated group.

We lease four properties in Australia and New Zealand and have recently completed construction of our new headquarters located at 238 Captain Cook Drive, Kurnell 2231 which is owned by the Company.

## Workforce

As at the end of FY20, we had a workforce of approximately 525 people.

Department	Number of staff	Permanent	Casual
<b>Australia</b>			
Sales and Product Management	345	331	14
IT & Marketing	25	25	
Finance	40	36	4
Warehouse	40	34	6
<b>AU TOTAL</b>	<b>450</b>	<b>426</b>	<b>24</b>
<b>New Zealand</b>			
Sales and Product Management	59	58	1
IT & Marketing	5	5	
Finance	6	6	
Warehouse	5	5	
<b>NZ TOTAL</b>	<b>75</b>	<b>74</b>	<b>1</b>

Our workforce includes sales, presales, product, IT, finance, warehouse and marketing teams that are mostly comprised of experienced and highly-skilled specialists which in turn lowers the risk of modern slavery risk occurring in our operations. Our team is a trained, professional workforce that is subject to the strong legislative frameworks of Australia and New Zealand.

Our robust human resources department and the strong oversight provided by the Executive team allows us to screen, onboard and oversee employees in a manner that prevents modern slavery. Employees are required to adhere strictly to our Code of Conduct as well as our other standards of practice and procedures to ensure that they, and Dicker Data, act in an ethical and professional manner.

We provide employees with access to our grievance mechanisms where they may raise complaints or concerns (anonymously if desired) with the company's practices and access solutions for their resolution.



# Identifying risks of modern slavery practices

Dicker Data, in conjunction with FairSupply, undertook an in-depth analysis of our supply chain, going beyond our first-tier suppliers and reviewing the probable risk of modern slavery occurring in our comprehensive supply chain.

We use the term 'comprehensive supply chain' to capture the idea of addressing modern slavery risk in a holistic manner, beginning from our direct relationship with suppliers all the way to the source of their raw inputs.

The initial step of our analysis involved us categorising our first-tier suppliers by both their industry and country to assess the industry and geographic risk posed by our suppliers.

Of the 225 suppliers, 190 were located in Australia, indicating a low level of geographical risk of modern slavery occurring in their direct operations due to the strong regulatory framework of Australia.

Measure Implemented	% of the top 18 suppliers
Code of Business Conduct	89%
Supplier Code of Conduct	67%
Slavery Statement	61%
Human Rights Policy	67%
Conflict Minerals Policy	72%
Report Suppliers to Hotline	33%
Responsible Business Alliance Membership	89%
Signatory to UN Global Compact	44%
Due Diligence Program	83%
Supplier Self-Assessment	89%
Audit of Direct Suppliers	94%
Audit of Additional Tiers of Suppliers	17%

Table 1. Measures implemented by our top 18

## In-depth Analysis - Top 18 Suppliers

Our first-tier supplier analysis yielded positive results with a low risk of probable slaves. However, due to the nature of the products that we distribute, there is an elevated risk of modern slavery occurring deeper in our comprehensive supply chain. Whilst we appreciate the difficulty in exerting our influence throughout the entirety of our comprehensive supply chain, we endeavoured to identify and analyse the issue of modern slavery beyond our first tier.

In this regard, we conducted a more thorough analysis on certain subsets of data, the first of which was a deep dive analysis into our top 18 suppliers based on the highest number of probable slaves within our supply chain that were attributable to that supplier. The risks identified stemmed primarily from the potential use of forced labour, the sourcing of conflict minerals, the presence of migrant labour, the use of restricted chemicals and poor working conditions in manufacturing in their respective supply chains.

We conducted an in-depth analysis of the business practices of those top 18 suppliers and the actions taken to ameliorate the risk of modern slavery within their supply chains. This involved increased due diligence, stronger oversight and corporate governance in the form of a number of standards and policies adopted to directly address modern slavery.

The results of this analysis indicate positive signs that our suppliers are enacting measures that generally exceed their obligations under applicable modern slavery laws noting a number of them are multinationals and are subject to modern slavery laws in other jurisdictions. In general, they are taking the appropriate steps to help stem the presence of modern slavery within their supply chains and despite our relatively minimal influence upon these large-cap suppliers, we believe they are appropriately educated and capable of enacting widespread change to their supply chain.

## In-depth Analysis - Top 5 Industries

In addition to this analysis, we also undertook analysis of the top five industries that our suppliers operate in that are most at-risk of modern slavery.

- 2.1%** of slavery linked to our spend is attributed to the Computer and Technical Services Industry in Australia
- 7.4%** of slavery linked to our spend is attributed to the Electronic/Electric Equipment Industry in Australia
- 13.8%** of slavery linked to our spend is attributed to the Electronic and Electric Equipment and Inks Industry in Australia
- 9.8%** of slavery linked to our spend is attributed to the Computer Peripheral and Video Equipment Industry in Singapore
- 25.3%** of slavery linked to our spend is attributed to the Data Processing Services Industry in Australia

The figures above demonstrates that the parts of our comprehensive supply that attract the greatest risk of modern slavery occur deeper in our tier list and indicates that Dicker Data, rather than causing or contributing to modern slavery is instead merely linked to modern slavery.

This further analysis revealed the risk of probable slaves was in greatest portion in the lowest tiers of their supply chains where very little of Dicker Data's spend was represented and therefore our power to exert influence is, in turn, limited. The greatest portion of Dicker Data's spend was reflected in the first three tiers of that supply chain and where only a small fraction of the probable modern slaves in the comprehensive supply chain have been assessed to reside.

Given these results from our in-depth analysis, we are confident that our suppliers are taking the appropriate steps to reduce the risk of modern slavery in their supply chains and conclude that no further remediation or action in respect of these suppliers is required at this time.

The initial assessment will be used as a benchmark to measure the efficiency of our modern slavery strategy and to generate year-on-year metrics.

# Actions taken to address risks

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## Policies and Protocols

A major factor in our modern slavery strategy is our strong corporate governance and management oversight, most readily evidenced by the policies and protocols with which our employees are required to comply. These policies and protocols help us embed our anti-slavery principles in our company and ensure we carry out our mission to mitigate modern slavery in a consistent manner across our operations and supply chains.

## Operations - Code of Conduct

### Corporate Governance Statement

Dicker Data's Corporate Governance Statement provides our principal corporate governance practices in place for the financial year. We seek to maintain high standards of corporate governance to maximise shareholder value through strategic planning, risk management, transparency and corporate responsibility.

In our latest Corporate Governance Statement covering the Reporting Period, we discuss practices and processes we have in place to mitigate salient human rights and labour risks, particularly those with respect to modern slavery. We detail our supplier analyses and our commitment to the United Nations' Universal Declaration of Human Rights and the International Labour Organizations Fundamental Conventions.

### Code of Conduct

Dicker Data's Code of Conduct sets out the values, commitments and ethical standards that we expect in our business and from our people, taking into account our obligations to our stakeholders.

Our updated Code of Conduct was adopted in December 2020 that reinforces our commitment to mitigating modern slavery by outlining our values and requiring our employees and resellers to abide by this Statement as well as other policies and protocols that deal with the risk of modern slavery. We have also amended our Corporate Governance Statement to refer to this new Code of Conduct and codify the inclusion of modern slavery in director and employee expectations for ethical behaviour.

The Code of Conduct affirms our commitment to the UN Universal Declaration of Human Rights and the International Labour Organization's Fundamental Conventions and institutes our affirmations to reduce modern slavery by:

1. ensuring all work is freely chosen;
2. ensuring the prevention of illegal child labour;
3. ensuring fair remuneration;
4. ensuring compliance with all laws relating to wages, superannuation and benefits;
5. ensuring worker's rights to freedom of association, collective bargaining, peaceful assembly and the freedom of thought, religion, opinion and expression; and
6. ensuring the identification and addressing of modern slavery practices and the risk of modern slavery in our operations and supply chains.

## Whistleblower Policy

We believe that every employee should have the chance to speak up anonymously when they see conduct not aligned to our corporate values or not in compliance with applicable law. Our Whistleblower Policy establishes the mechanism by which our staff can freely (and anonymously, if desired) report conduct that goes against the values and standards of Dicker Data. This includes any concerns regarding modern slavery in our operations and supply chain.

## Reseller Terms and Conditions

A part of Dicker Data's operations is the engagement of IT resellers to enable, educate and inspire them to achieve their full potential. As a partner of Dicker Data, it is important that they share the same values and uphold the same standards we do. As part of our ongoing actions, our Reseller Terms and Conditions will be revised in FY21 to require our resellers to comply with our Code of Conduct which in turn includes our stance on modern slavery risk.

## Supply Chain

Dicker Data's analysis of our comprehensive supply chain led us to the conclusion that the source of risk of modern slavery exists further down our supply chain inhibiting our ability to mitigate it. Despite this, our in-depth analysis provided valuable insights on how our major suppliers are addressing their risks of modern slavery.

As such, Dicker Data will continue to engage with our suppliers in dialogue regarding the risk of modern slavery and carrying out due diligence to avoid the risk of modern slavery from occurring in our supply chains.

The analysis undertaken by Dicker Data provides significant insight into the industries and geographical regions in which our suppliers conduct their business. We will use the geographical and industry risk profiles generated by the analysis to inform our engagement with suppliers. By profiling potential suppliers, Dicker Data will be able to undertake further in-depth analysis into their supply chains and make assessments on the risk of modern slavery occurring in their operations and supply. This will empower Dicker Data to make informed decisions on new suppliers based upon their modern slavery risk profile.

## Education

In FY20, Dicker Data conducted internal training on modern slavery for members of our Executive team in sessions tailored to our business, our industry and the risk of modern slavery. We were able to educate and empower our executive team to appropriately recognise and minimise the risk of modern slavery within our operations and our supply chain.

In the future, Dicker Data will be rolling out ongoing training modules for all members of staff to allow our workforce to identify and reduce practices that may increase the risk of modern slavery occurring. The training modules will be an essential element in creating a collaborative and unified approach across our organisation to the risk of modern slavery.

## Assessing the effectiveness of our actions

Fair Supply's analysis of our operations and supply chains provided a number of metrics by which we will be able to measure our success in mitigating modern slavery in the future.

Our operation's modern slavery risk was assessed as low and so too was our supply chain within the first-tier. Given the complexity of our comprehensive supply chain and the lack of connection between our direct supplier spend with the risk of modern slavery, we understand that the efficacy of our actions may be reduced due to the lack of influence we will be able to exert.

Despite this, Dicker Data will continue to monitor our approach to modern slavery risk with yearly assessments of our performance metrics and a thorough analysis of year-on-year changes to determine the trends and take appropriate action in response.

## Consultation Process

We are committed to developing and maintaining a unified response to modern slavery across our entities and recognise that each of our controlled entities has an integral role in ensuring a consistent group-wide approach to the risk of modern slavery.

We undertook consultation with our controlled entities through meetings with our Executive team and key personnel. We have engaged our procurement, sales and vendor relations, supplier relationship managers and our financial services teams in training programs to create a holistic understanding and approach to modern slavery.

The consultation has allowed us to create a group-wide approach to the risk of modern slavery and consisted of the identification of how modern slavery risk arises in our controlled entities, the formation of a unified strategy, the undertaking of the actions outlined above and the review and approval of this Statement.

Dicker Data has disseminated our expectations and efforts to mitigate the presence of modern slavery in our operations and supply chain to our controlled entities and plans to provide group-wide education and training to educate our group on our commitment to reduce modern slavery risk.

## Covid-19 Impacts

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### Operations

The COVID-19 pandemic has posed a significant challenge in maintaining the health and safety of our workers. Deemed as an essential service throughout the pandemic, Dicker Data served an important role in the move to remote working and the uptake of technology in Australia/New Zealand.

We made strategic inventory investments that set us apart from the competition as demand for devices and related peripherals surged amid Government enforced lockdowns, spurring the largest work from home movement in history. Dicker Data has remained resilient throughout the pandemic by virtue of our business operations.

To limit the impact of COVID-19 on our operations and to ensure the ongoing health and safety of Dicker Data staff during the pandemic period, we have implemented a number of protocols and initiatives:

- remote-working arrangements for the majority of our staff,
- rigorous safe working conditions for warehouse staff, and
- provision of staff support and moral upkeep in the form of flexible hours, social events and access to training tools and learning courses.

We will continue to modify workplace health and safety practices in line with government regulations and external advice.

## Supply Chain

Dicker Data recognises the potential impact that the COVID-19 pandemic may have on heightening the risk of modern slavery and other forms of exploitation within its supply chain. The COVID-19 pandemic poses a difficult obstacle in the maintaining of strong oversight and the increased risk of modern slavery occurring as companies attempt to minimise costs.

However, the COVID-19 pandemic coincided with yet another improvement in the financial results of Dicker Data as more people turned to IT service providers to help adopt technology in the move to work from home. As such, Dicker Data remained resilient and continued to engage our suppliers and ensure continuity in our supply chain. We responded swiftly to COVID-19 supply chain challenges and capitalised on the changing market dynamics and cemented our position as the leading technology distributor across Australia and New Zealand.

Further, some of our major suppliers were proactive during the pandemic and provided extended terms on their contracts. This has been a major factor in ensuring our supply chain's continuity and resilience during the pandemic which in turn lowers the risk of modern slavery encroaching into our supply chains.

## 2021 and beyond

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As hybrid work models are adopted, technology requirements for business and their employees will need to be upgraded with the latest collaboration technology to enable a seamless experience. Security is high on the priority list as businesses look for measures to protect their corporate environments as employees from anywhere at any time.

Dicker Data intends to meet this growing demand and to differentiate itself from its competition, but not at the expense of incurring additional risk in terms of modern slavery.

As such, we intend to institute a supplier screening process based on our assessed level of risk from certain geographies and industries. These will allow us to generate a robust method to filter out certain suppliers that pose a higher risk and the company will undertake further due diligence prior to onboarding them.

Continued development and education will be key in ensuring our people are equipped to identify and adequately respond to the risks of modern slavery within our operations and supply chain. We intend to conduct ongoing education and training to both our Executive team, as well as all of our staff, to ensure awareness of modern slavery.

We intend to institute an annual assessment of our supply chains in conjunction with Fair Supply and to use the relevant outputs to conduct a year-on-year analysis to help us identify any changes in our modern slavery risk profile. This identification of movements in our risk profile will assist in guiding our future efforts to effectively mitigate the risk of modern slavery.

## Document Management

Revision Date	Nature of Amendments
01 June 2021	Approved by the Board of Dicker Data