

December 2021

Modern Slavery Statement

Our Stance on Modern Slavery

Introduction

The Board of Directors (Board) of Spirit Technology Solutions Ltd (ASX: STI) (“**Company**” or “**Spirit**”) is responsible for addressing Modern Slavery & Human Trafficking risk across the Company and its controlled entities. The Company is committed to ensuring high standards of Modern Slavery & Human Trafficking governance and its governance practices have demonstrably supported the business and its growth by facilitating effective board and management decision making, providing clear lines of responsibility and accountability and a commitment to transparent communications with shareholders and other stakeholders.

This Statement describes the steps that Spirit has taken during the financial year ended 30 June 2021 to address Modern Slavery & Human Trafficking risks across the Company, its subsidiaries (“**Group**”) and its global supply chains, and also sets out our plans for future improvements.

All Corporate Governance documents and policies are accessible in the Corporate Governance section on Spirit’s Investor Centre website:

<https://www.spirit.com.au/investor-centre>

This Modern Slavery & Human Trafficking Statement covers the financial year ended 30 June 2021 and was approved by the Board on 15th December 2021.

Managing Director's Message

This is Spirit's first Modern Slavery Statement, which outlines our intention and commitment to Modern Slavery & Human Trafficking. It also describes the steps that we have taken to identify, manage and mitigate the specific risks of Modern Slavery & Human Trafficking in our operations and supply chains.

While this is our first formal statement documenting our commitment to eradicating Modern Slavery & Human Trafficking, the values and behaviours that are embedded in the way that we work at Spirit demonstrate that we already have the ethos in our business.

Sol Lukatsky
Managing Director
Spirit Technology Solutions Ltd

About Us

Spirit Technology Solutions Ltd (“Spirit” or “Company”) is Australia’s leading provider of bundled IT&T services across SMBs (Spirit), Essential Services (Trident) and Corporate & Government (Intalock). In April 2021, Spirit acquired Nexgen, which supports Spirit’s focus on building a highly desirable position as a ‘Techo’. Over the last 3 years, Spirit has become an industry provider of both IT & Telco services through the seamless integration of 10 of 13 acquired companies.

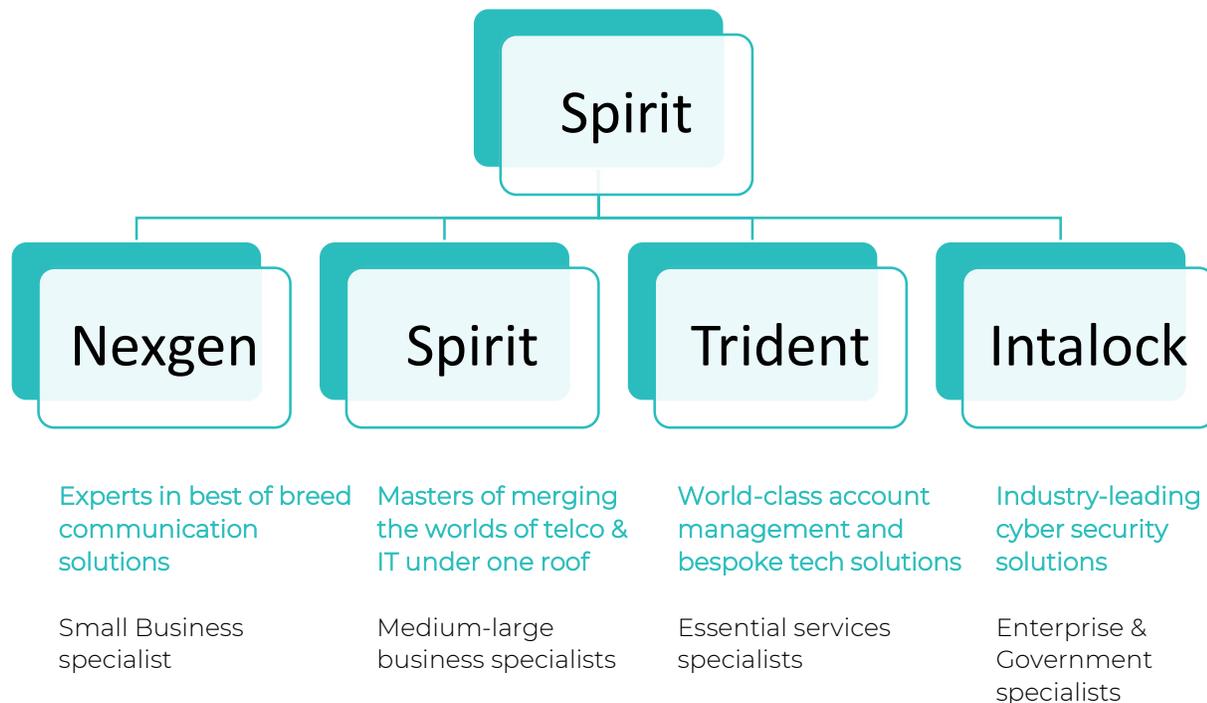
Our offering is focussed on in-demand services and creating a large service and brand reach, providing the following products and services:

- High speed internet
- Security
- Cloud
- Mobile
- Voice, and
- Managed Services

Our structure, operations, and supply chain

Our structure

Spirit is split into four main business divisions, supporting the following industry channels.



Our operations

Spirit employs 445 staff, an increase of 250% (from FY20), which has resulted in an increased focus on creating a unified team across the different business divisions to enable Spirit’s growth strategy. They are also critical in servicing our 10,500 B2B customers and 350 national resellers.

Over the past year, Spirit has been rebuilt and repositioned to become the go-to tech provider for Australian businesses – both big and small. We have created a truly modern Telco and IT business

with a refreshed brand that is resonating with the market – ‘If you do business, Do IT with Spirit’. It supports our vision to be the first port of call for Australian businesses to meet all their technology needs. We are striving to give Australian businesses the service they deserve, along with an integrated product suite to manage their needs from collaboration, managed IT services, cloud migration, high-speed Internet, and Cyber Security.

Our supply chain

We work with approx. 1,000 suppliers across a multitude of countries to support our customers effectively and efficiently. These suppliers are critical to delivering our products and services to our customers.

Due to the industry that we service, we are looking to increase our engagement across our supply chain to continuously ensure that we have a “slave-free” supply chain.

Our position on Modern Slavery & Human Trafficking

This is Spirit's first Modern Slavery & Human Trafficking Statement issued under the Modern Slavery Act. It outlines the steps we take as a business to prevent slavery and human trafficking in our own operations and supply chains.

We recognise that Modern Slavery & Human Trafficking is a growing global issue, and we understand our responsibility to prevent, mitigate and remediate where necessary. We reject any form of modern slavery, such as slavery, servitude, forced labour, and human trafficking and are committed to implementing and enforcing effective systems and controls to ensure it does not take place in our own business or our supply chains. Wherever we operate, we respect the human rights of our employees, customers and those of our suppliers and business partners. We aim to identify and manage any risks related to human rights across our own business and through our supply chain relationships.

Spirit has adopted a continuous improvement approach to its performance in this area. As a business, we continue to review, develop, and promote policies and practices to identify and mitigate risk areas for Modern Slavery & Human Trafficking in our business and supply chains.

Governance

The Executive Leadership Team of Spirit is responsible for remediating and eliminating Modern Slavery & Human Trafficking activity within the Group. Overall accountability is held by the CEO.

Policies & Contractual Controls

Spirit is committed to high standards of corporate governance. Our Board and its Committees provide the necessary leadership to implement strong corporate governance across the Group so that our decisions and actions are based on transparency, integrity, responsibility, and performance, which promotes the long-term sustainability and ongoing success of our business. Spirit has group policies in key areas, including:

- Corporate Governance Statement,
- Risk Management Policy,
- Corporate Code of Conduct,
- Whistleblowing Policy,
- Anti-Bribery Policy, and
- Diversity Policy.

The policies and procedures are designed to support and inform our modern slavery approach. Our Group approach in key areas recognises that our employees (including our contractors and directors) are key to maintaining a compliant and ethical approach to our business practice.

We will continue to monitor legislative and operational requirements that may require the Spirit Group to review and enhance our policies and procedures accordingly.

Spirit's Modern Slavery & Human Trafficking Approach

Spirit takes Modern Slavery & Human Trafficking seriously and has taken a two-staged approach to identify, assess, and remediate/ eliminate Modern Slavery & Human Trafficking in our global supply chains.

The **first stage** of our assessment required us to assess our own operations, ensuring that all the policies, procedures and guidelines are established and adhered to. Consequently, a number of Modern Slavery & Human Trafficking awareness and training sessions have been initiated to guide our employees, Directors and senior executives in the identification and elimination of potential human rights issues.

The **second stage** focussed on a comprehensive supply chain risk assessment – including country, industry, and commodity/ product risks – across our first-tier suppliers. The team used a comprehensive set of industry indices to assess the risk profile of Spirit Group's suppliers and identify potential Modern Slavery & Human Trafficking risks. To ensure alignment, we have ensured that we use the same risk management framework as laid out in Spirit's [Risk Management Policy](#) to identify likelihood and impact of the potential supply chain risks to identify potential Modern Slavery & Human Trafficking issues. We then conducted a further evaluation of our medium- and high-risk suppliers to ensure that we are able to effectively monitor progress towards a slave-free supply chain.

Subsequent versions of our statements will use the learnings of stage one and two and introduce a product-centric review and start transitioning towards multi-tier supply chain evaluations, further removing Modern Slavery & Human Trafficking risks from our global supply chains. We're also looking to work with relevant (non) government organisations to ensure we are ready and able to respond to, and manage, issues effectively as they emerge.

Our Workplace

The values and behaviours that are embedded in our business already demonstrate that we are committed to treating our employees with respect, with fairness and with integrity. This ethos stretches through all levels in our business and through to our way of working with our customers and potential customers. This commitment ensures that we are managing the risk of unfair outcomes for all stakeholders and eliminating any actions that may negatively impact the integrity of the IT & Telco industry.

We are committed to complying with relevant local and national laws, community expectations and ethical standards related to modern slavery and human rights in respect to our employees, our customers, and our business operations. As part of Spirit's commitment to ensuring that all employees are treated with equality and respect, we do not tolerate any form of discrimination or harassment and we strive to be an equal opportunity employer in all business divisions. We are committed to building and maintaining a safe and inclusive workplace, ensuring our employment conditions adhere to legislation that outline minimum wages, appropriate hours of work and leave

provisions, as well as the ability to sustain the health, safety and wellbeing of our employees, contractors, and visitors.

To support our people commitment, we ensure fairness and consistency in our approach to remuneration and reward strategy by ensuring we have various controls in place to support these intentions. These include:

- our Spirit People technology solution guides employees from hire (recruitment) through our performance model through to their retirement. This model is guided by us checking and testing domestic and international employee processes, monitoring Fair Work Act (FWA) findings, mandates and announcements that might impact certain types of employment.
- Regular review of our remuneration data against relevant industrial award rates
- Leveraging external and internal role benchmarks to ensure we are paying fairly to market and consistently in the team
- Ensuring that gender parity remains front of mind, e.g., Spirited Women dedicated to the advancement of women in technology.

Furthermore, our employee assistance program through UpRise is our further commitment to ensuring our employees' health and wellbeing is our top priority. We continue to create and maintain both a diverse workforce and an inclusive and safe workplace for all.

Our employees are encouraged to report genuine concerns about any conduct or activity they believe is unethical, illegal, fraudulent, undesirable, or corrupt and we offer a number of channels for them to do so. We have a [Whistleblower Policy](#) and [Anti Bribery and Corruption Policy](#) which are readily available through our central Spirit People LMS. This development course reflects our commitment to develop a "speak up" culture, allow an "Eligible Whistleblower" to anonymously report and disclose improper conduct confidentially, and on reasonable grounds without the fear of reprisal or detrimental action.

Finally, we are continually committed to understanding the needs of our employees through regular Employee Engagement Survey which provides anonymous avenues for feedback as well as data across many aspects on Human Resources. We also want to encourage open and honest discussions and ensure our leadership team are equipped to have unbiased and objective discussions with team members.

Consultation with Group entities

Spirit Group comprises of four main business divisions, being Nexgen (Small Business), Spirit (Medium-Large businesses), Trident (Essential Services), and Intalock (Corporate and Government), and numerous supplier partnerships that deliver value to our customers. As a leader in the 'Techo' space, we're constantly reimagining ways to support our customers and our partners and aspire to lead by example to assist our supply chain partners in remediating/ eliminating Modern Slavery & Human Trafficking risks in their operations and supply chains.

Information within this Statement is applicable to all entities within the Group. There has been no need for specific, direct communication across group entities pertaining to the preparation of this Statement due to the fact that all policies, procedures, and initiatives referenced are applicable to all entities. The supply chain assessment also includes suppliers from each group entity.

If a modern slavery and/ or human rights issue appears, we would take the same approach to remediation as any controlled entity and determine an appropriate course of action based on whether the entity had caused, contributed to, or been directly linked to the adverse human rights impact.

Training and Awareness

There are a significant number of compliance obligations that apply across our day-to-day activities at work, whether they are laws, regulations, code of conduct or ethical standards and we are committed to educating our employees about them. Ensuring that our people have a good understanding of, and respect for human rights is important, and given we have a learning culture, we will leverage our LMS to provide relevant and appropriate training to assist our people to identify and evaluate risks relating to human rights, including Modern Slavery & Human Trafficking and how to manage these issues should they arise. We believe that this training is mandatory for our Executive and Senior Leaders, as well as populations of our employees that may be exposed to a higher risk of exposure, specifically Procurement and Human Resources.

Spirit looks to enable this through introducing a training and awareness model across our internal procurement and operational staff members and leadership teams who will be given increased responsibility for understanding and mitigating Modern Slavery & Human Trafficking risk, as well as continuously raising across the Spirit supplier community.

Training & Awareness	Number/ Percentage
Board	13/ 3%
Senior Leadership	25/ 6%
Mid-level leadership*	37/ 10%
Employees*	325/ 81%

*Training and awareness only applicable to roles involving procurement and HR activity

Our Global Supply Chain

Spirit has a global supply chain made up of more than 944 unique first tier (direct and indirect) suppliers, with 96% of our suppliers based in Australia. Our supply chain relationships include Financial and Insurance Services, Information, Media, and Telecommunications, Professional, Scientific and Technical Services, Public Administration and Safety, Rental Hiring and Real Estate Services, Wholesale Trade (7%).

We used a 1 to 5 Modern Slavery & Human Trafficking risk assessment model, aligned with our Risk Management Policy to identify likelihood and impact (severity). Through our assessment we have identified the following Modern Slavery & Human Trafficking risks:

Risk Level	Number/ Percentage of Suppliers
Level 5 (High Risk)	0/ 0%
Level 4 (Medium to High Risk))	1/ 0.1%
Level 3 (Medium Risk)	22/ 2.3%
Level 2 (Low to Medium Risk)	887/ 94%
Level 1 (Low Risk)	34/ 3.6%

We acknowledge and recognise the potential for Modern Slavery & Human Trafficking to occur within our supply chains, regardless of location. Our suppliers are expected to manage their business and their supply chain in a manner that respects human rights as set out in the [UN](#)

[Universal Declaration of Human Rights](#) and the [UN Guiding Principles on Business and Human Rights](#).

Suppliers are also expected to ensure that all employees and contractors are legally entitled to work and that no bonded, forced, or involuntary labour, child labour, human trafficking or other forms of slavery is employed in the delivery of their products or services to Spirit.

ESG Guidance Principles

Spirit is cognisant that its suppliers and other participants in the IT & Telco industry face the prospect, whether now or in the future, of being required to increase their visibility around sustainable practices in their overall supply chain. These risks may lead to changes in customers' IT & Telco habits and preferences. While Spirit's financial performance to date has not been materially (if at all) affected by addressing Environmental, Social and Governance (ESG) risks, the Spirit Board is conscious of the need to review such risks, where appropriate to take action to address them, and to report accordingly to the market.

The Modern Slavery & Human Trafficking Statement is our first step towards a more ethical operating model and reflects our strong commitment to conducting our operations in a responsible and sustainable manner, setting the minimum expectations that our suppliers comply with relevant local and national laws related to human rights in respect of their employees and business operations. As part of our broader approach to sustainability, we seek to engage with and encourage suppliers and partners who share this understanding and commitment.

To meet the continuously evolving international guidelines, we have aligned our standards with the WEF Framework for ESG disclosures, which is focussed on transitioning towards globally common metrics, consistent reporting of sustainable value creation and creating long-term value to the Spirit business.

Spirit's alignment to WEF framework for ESG disclosures

The table below highlights specific metrics from Spirit which align to the WEF Framework. These include:

1. The total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.
2. The number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts.
3. The number and percentage of operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to:
 - a. type of operation (such as manufacturing plant) and type of supplier; and
 - b. countries or geographic areas with operations and suppliers considered at risk.

WEF Framework for ESG disclosures	Outcomes
Operational & Supply Chain Reviews	Spirit Technology Solutions: 944 unique cross-organisational suppliers Reviewed 907 suppliers – 96% ¹ Breakdown of suppliers: Spirit: 695 suppliers Trident: 153 suppliers Nexgen: 133 suppliers Intalock: 119 suppliers
Number & Type of Grievances Reported	All OHS incidences are logged in our iAuditor to action and assess the level of risk and impact All Employee Relations that fall outside of the OHS realm are logged in an ER log with all relevant actions and communications saved privately on a separate locked employee file
Type of Supplier Operations Spend % in last 12 months ANZSIC Taxonomy	Accommodation and Food Services (0.4%) Administrative and Support Services (20.2%) Arts and Recreation Services (0.1%) Construction (0.3%) Education and Training (0.5%) Electricity, Gas, Water and Waste Services (0.5%) Financial and Insurance Services (9.2%) Health Care and Social Assistance (0.1%) Information, Media, and Telecommunications (30%) Manufacturing (0.9%) Professional, Scientific and Technical Services (15.5%) Public Administration and Safety (7.3%) Rental Hiring and Real Estate Services (6.4%) Retail Trade (0.1%) Transport, Postal and Warehousing (0.3%) Wholesale Trade (7%) Other Services (1.1%)
Countries/ Region Risk Spend % in last 12 months	Australia: Low (94.8%) Canada: Low (<1%) Germany: Low (<1%) India: Medium (<1%) Ireland: Low (<1%) New Zealand: Low (<1%) Philippines: Medium (3.3%) Singapore: Low (<1%) United Kingdom: Low (<1%) United States: Low (<1%)

¹ 37 suppliers are considered as Travel & Entertainment related credit card expenses

Effectiveness of Actions

As this is Spirit’s first Modern Slavery & Human Trafficking Statement, it is still too early to assess the effectiveness of actions taken to address modern slavery risks identified. However, subsequent actions taken by Spirit will be assessed for effectiveness. Our assessments will consider the following factors:

- Enhancing Spirit’s capability and capacity to identify and address Modern Slavery & Human Trafficking risks that require remediation; and
- Creation of closer supplier engagements between Spirit and its suppliers emphasising the importance of Modern Slavery & Human Trafficking mitigation.

Supply Chain	Actions	Outcomes
Spirit Group Supply Chain (1,000+ suppliers)	Completed a full Supply Chain Assessment of first-tier suppliers	All first-tier suppliers have been assessed and reviewed. Risk ratings have been determined which will facilitate subsequent actions.
Supplier Assessment Questionnaire (SAQ) to medium/ high risk suppliers	SAQ process has been determined and SAQ's will be submitted to medium/ high-risk suppliers for further assessment	Pending SAQ feedback

This is planned to be completed by mid-2022 and will be reported in the 2022 Modern Slavery & Human Trafficking Statement. The following initiatives provide a strong foundation to monitor the effectiveness of our actions and have been appropriately implemented:

Spirit will set up a Modern Slavery & Human Trafficking Working Group

A cross-functional Modern Slavery & Human Trafficking working group provides the Spirit Group with a platform to assign responsibilities and accountabilities for human risk management at executive management and operational management. The Modern Slavery & Human Trafficking Working Group establishes a roadmap to enhance Spirit’s maturity and will contain the Head of Human Resources and the Head of Group Procurement.

Tracking and reporting of follow-up actions

On a bi-annual basis, the Modern Slavery & Human Trafficking Working Group meets to assess how the various workstreams have progressed against a comprehensive action plan with KPIs and timelines for each action, focussed on:

- Creating further awareness of what Modern Slavery & Human Trafficking means and impacts on Spirit’s operations,
- Engaging with operational managers to guide, inform them of how to identify and act on potential human rights issues,
- Conducting a multi-tier supply chain assessment (extending the assessment to product level) to eliminate potential Modern Slavery & Human Trafficking risks; and
- Collecting data on suppliers who undertake the Supplier Assessment Questionnaire (SAQ), and subsequently conducting further engagement risk assessments to flag potential human rights issues.

We are also keeping abreast of industry-related trends and developments to pro-actively identify potential Modern Slavery & Human Trafficking risk areas (e.g., Modern Slavery Act 2018 (NSW)).

Implementation and Continuous Improvement

We recognise that consistency and capability building is key to facilitating the effective implementation and continuous improvement of a modern slavery reporting model. Our objective is to embed modern slavery and human trafficking risk management into our standard processes and as such, we plan to incorporate risk management practices into our business culture, processes, behaviours, and operating frameworks. Spirit will continue to assess the effectiveness of actions in progress and determine subsequent actions to be taken in accordance with the commitments outlined in the "Planning ahead" section.

Planning ahead

We aim to create a comprehensive understanding of modern slavery and human rights issues within our business and our supply chains. Key areas of focus for Spirit include:

Operational Commitments

●: Green (Complete) ●: Amber (Partly Complete) ●: Blue (New)

Commitment	Status	Comment	Timeframe
Creation of Modern Slavery statement	●	Develop and finalise Spirit's first Modern Slavery statement.	December '21
Modern Slavery & Human Rights Awareness Sessions	●	Introduce and deploy Modern Slavery & Human Trafficking training and awareness sessions across Spirit's business.	April '22
Policies & Procedures	●	Further improve our policies and procedures to include specific references to Modern Slavery & Human Trafficking.	April '22
Recruitment & Labour Provider Practices	●	Identify, remediate/ eliminate risks regarding recruitment practices of third-party labour providers in Spirit's operations and supply chains.	June '22

Supply Chain Commitments

Commitment	Status	Comment	Timeframe
Supplier Assessment Questionnaire (SAQ)	●	SAQ issued to medium/ high risk suppliers, with responses evaluated and presented to the Human Trafficking Working Group for consideration.	March '22
Supplier Code of Conduct	●	Introduce a comprehensive Supplier Code of Conduct, and embed this into our supplier agreements to better capture our	June '22

Commitment	Status	Comment	Timeframe
		commitment to managing Modern Slavery and/ or Human Rights risks.	
Sourcing Practices	●	Enhance due diligence processes for supplier selection and screening (sourcing and procurement model) to include consideration of Modern Slavery & Human Trafficking risk.	June '22
Supplier Relationship Management	●	Identify and use opportunities for closer collaboration – with suppliers to verify and help eradicate Modern Slavery & Human Trafficking, creating a “slave-free” supply chain.	June '22