



Exetel Pty Ltd

Modern Slavery Statement 2020

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1. Background to Modern Slavery

In 2018 the Australian Government enacted legislation that requires companies with over \$100Million annual revenue to assess the risks of and actions taken against Modern Slavery. The **Modern Slavery Act 2018 (Cth)** (“the Act”) defines and refers to eight (8) types of exploitation:

- 1) Human trafficking
- 2) Slavery
- 3) Servitude
- 4) Forced labour
- 5) Forced marriage
- 6) Debt bondage
- 7) The worst forms of child labour; and
- 8) Deceptive recruiting for labour or services

In accordance with section 13 of the Act, this statement sets out the actions taken to assess and mitigate the risk of modern slavery by **Exetel Pty Ltd (ACN: 097 986 546)** (“Exetel”). This statement is applicable to Exetel and each of its divisions, business units, affiliates, and subsidiaries.

2. Operations and Supply Chain

Exetel is a privately held Internet Service Provider (“ISP”) established in Sydney, New South Wales in 2001. Exetel currently delivers telecommunications services to over 200,000 customers across Australia. Exetel deliver a range of internet and telecommunication services to customers through a distribution model and supply chain that relies heavily on leveraging other ISP networks. Exetel’s supply chain is comprised of suppliers from a range of industries including electronic equipment manufacturers, telecommunication network operators, telecommunication carriers and professional services. As a national business, Exetel’s supply chain consists predominantly of suppliers located domestically throughout Australia.

While Exetel operates to provide services to customers in Australia, Exetel’s operations are staffed by approximately 300 employees located in both Australia and Sri Lanka.

As part of our national practice, we are firmly committed to conducting business with the highest integrity and in compliance with the letter and spirit of the law. Exetel maintains varied supply arrangements; Exetel operates on a supply chain that consists of suppliers that provide goods and services on an ad hoc and short-term basis as well as stable longer-term contracts that form a more central role in Exetel’s business model. An example of these longer-term relationships is the use of another ISP’s infrastructure and network, while a shorter-term relationship may be the use of a courier company.

Exetel’s corporate structure includes a wholly owned subsidiary (**Exetel Communications Pvt Ltd**) which operates in Sri Lanka. This subsidiary acts as a support office for our Australian customers and as such does not have a significant supply chain. Despite this, Exetel is committed to ensuring that a high and uniform standard is upheld across the company and company policies and procedures are drafted to ensure conformity both within Australia and Sri Lanka.



3. Risks of modern slavery practices in the operations and supply chains of Exetel

The Act sets out three (3) key risks in regard to modern slavery.

- 1) Risk that Exetel causes modern slavery practices.
- 2) Risk that Exetel contributes to modern slavery practices.
- 3) Risk that Exetel is directly linked to modern slavery practices.

Risk that Exetel causes modern slavery practices

Exetel's foremost risk of modern slavery vests in the separation between Exetel's main office and our wholly owned subsidiary in Sri Lanka. The geographic distance and separation of business structures mean that Exetel Pty Ltd has to work to ensure that all policies and procedures uphold the same high standard across geographic boundaries.

Exetel addresses its risk in relation to causing modern slavery practices by ensuring that all employees comply with policies and procedures approved by the Board. Exetel intends achieving a zero-tolerance approach to Modern Slavery and is committed to consistently reviewing and strengthening our processes and systems to minimise the risk of human rights infringements anywhere in our operations and supply chain. As Exetel employs workers in both Australia and Sri Lanka, to minimise the risk of modern slavery, consistent policies and standards are applied to all employees irrespective of their geographical location.

Risk that Exetel contributes to modern slavery practices

Exetel utilise suppliers of all sizes and complexities, therefore it is imperative that we carefully vet all suppliers to ensure that they align with our legal and ethical obligations.

To ensure Exetel provides services in a responsible manner, Exetel requires all Suppliers must comply with our Code of Conduct that includes being aware of and complying with Modern Slavery requirements. Our Code of Conduct references the *Australian Modern Slavery Act (2018)* and clearly establishes Exetel's expectations on supplier business conduct relating to the supply of goods and/or services to both Exetel and our clients. Exetel only seeks to do business with suppliers that have similar values, ethics and sustainable business practices, including in relation to human rights.

Risk that Exetel is directly linked to modern slavery practices

Exetel also experiences a risk of being directly linked to modern slavery within our operations and supply chain using suppliers who have not conducted modern slavery risk assessments or have not implemented modern slavery risk mitigation measures. Due to the nature of the telecommunications industry, as part of Exetel's ongoing due diligence to combat Modern Slavery in our supply chain, Exetel conducts a risk assessment on each of our suppliers. Customers are provided with a risk rating as a guide, in order to assist Exetel manage the risk of Modern Slavery on an individual supplier basis.

We have considered the Modern Slavery List of Industries and List of High Risk Countries, as provided for in The Global Slavery Index 2018, in determining our risks of modern slavery in our operations and supply chain. We have further considered information and resources made available through organisations that include: the Transparency International Corruption Perceptions Index; Global Contact Network; Global Estimates of Modern Slavery 2017; 'Hidden in Plain Sight', Report of the 2017 Parliamentary Inquiry into establishing a Modern Slavery Act in Australia; and the Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities.



Based on a risk assessment of all suppliers with whom we transacted over \$100,000 over the review period, Exetel does not conduct business with any industries classified as having a high risk to modern slavery. In addition, when conducting our risk assessment, no supplier was rated as 'high' in our risk matrix.

4. Actions taken by Exetel to assess and address modern slavery risks, including due diligence and remediation processes

Exetel has, in consultation with a third party professional services firm, conducted a modern slavery risk assessment of our operations and supply chain, creating a modern slavery risk assessment framework. This framework provides a consistent and prescriptive approach to assessing the risks posed by suppliers and in turn informing our modern slavery statement. This process has been conducted using information from both our operations within Australia and Sri Lanka.

The assessment comprised two elements:

- Identified existing risk management policies and procedures within Exetel and determined whether this can be broadened to include the Risks of Modern Slavery, through ethical sourcing, quality standards or other compliance reporting.
- Conducting a risk assessment over our current suppliers in terms of our payment data, for the period 1 December 2019 to 31 December 2020. We extended the cut-off reporting period of 30 June 2020, due to the extension period granted to submit this statement.

In conducting a risk assessment of existing risk management policies and procedures, we reviewed all relevant policies for Exetel in Australia including: Code of Conduct for Employees; New Vendor Process flow & Credit Checking of Suppliers; and Agent Agreements.

We also reviewed the policies adhered to by our support office in Sri Lanka which include: Code of Conduct; Access & Attendance Policy; Return to Office Guidelines; Leave Policy; and Medical Insurance Policy.

We updated our Code of Conduct and Agents Agreement to include additional information about the Act and the requirements to comply. We further developed our Whistleblower policy that makes provision for modern slavery reporting.

In performing the risk assessment of our suppliers, we conducted a desk top review of 34 of our top spend suppliers (out of 136 suppliers), that comprise 99% of our total spend. Exetel considered risks that may potentially cause, contribute to or be directly participating in modern slavery practices, consistent with the Act and the Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities. These risks areas included: Financial; Industry; Country (geographic location); Sub-Contractors; and evidence that the supplier has submitted a modern slavery statement if applicable.

These suppliers are then given a risk rating of either low, medium or high based on their score across the four risk areas.

The results of our desktop review identified that 32 of our 34 top spend suppliers scored an overall modern slavery risk rating of low risk to Modern Slavery. The remaining suppliers were identified as medium risk to modern slavery due to their industry and geographical location. This assessment is based on a desktop review and what was determined by us using public records and information we had previously obtained from our suppliers. Significantly, 25 of our top spend 34 suppliers have submitted a Modern Slavery Statement in Australia or abroad (international companies). This provides us with additional assurance that Exetel is doing business with companies who uphold the principles of modern slavery compliance.



In addition to this risk assessment, we have begun providing all suppliers with a modern slavery questionnaire to determine their exposure to modern slavery and to ensure that they comply with our obligations and commitments regarding modern slavery. This forms part of our new vendor process.

5. Assessing the Effectiveness of our actions

We have described our actions taken in the immediate assessment of modern slavery risk within our operations and supply chain. This includes policy review and updates, drafting of new policies and a risk assessment for our high spend suppliers. This process has meant that we have mapped out our supply chain and operations in order to increase our understanding of potential vulnerabilities to modern slavery.

While assessing our highest spend suppliers is an effective mechanism to determine our exposure to modern slavery, the supplier questionnaire and continual assessment of our supply chain is necessary to ensure that we are meeting our obligations in regard to modern slavery. All existing suppliers have been requested to complete the modern slavery questionnaire and it is a requirement moving forward that all new suppliers also complete the questionnaire.

All responses to the questionnaire will inform a supplier risk assessment, determined by us, which serves as a more accurate and reliable record. All potential risks will be pursued and further actions taken where deemed necessary.

6. Describe the process of consultation with any entities the reporting entity owns or controls

Exetel Pty Ltd (the reporting entity) wholly owns Exetel Communications Pvt Ltd, a subsidiary located in Sri Lanka, as previously discussed. Our Sri Lankan subsidiary provides call centre services purely to our customers in Australia. They have been consulted by the reporting entity and provided with information relevant to our modern slavery commitments and information required for the compilation of this statement. This included a review of their policies and procedures in place and updated where required, in order to ensure a uniform commitment to preventing modern slavery.

Our Sri Lankan subsidiary deal locally with a number of small suppliers in relation to office supplies and property costs. These suppliers will be risk assessed going forward to ensure they are meeting the modern slavery requirements, if deemed necessary.

7. Other relevant information - the way forward

In order to build on the modern slavery framework we have established to date, we will be focusing on the following areas and the extent to which these are achievable, within reason:

- Continue with our risk assessment of new suppliers and the completion of the modern slavery questionnaire.
- Introduce modern slavery training to our staff, which may entail online courses, in-person meetings with management and/or written resources.
- We will consider rolling this out to our vendors, in the format of an information booklet or similar type communication.
- More intensive training to management employees, particularly those in charge of supply chain management, to understand in more detail what slavery and human trafficking entails and how to mitigate the risk of these in their respective supply chains, where deemed essential.



- Performing social accountability audits, by conducting onsite inspections of our suppliers to evaluate their practices with respect to the treatment of their workers, and identifying and determining any potential risks, including modern slavery and human trafficking.
- Developing internal accountability standards and procedures further, to hold our employees and contractors accountable for non-compliance with our standards on modern slavery and human trafficking, including:
 - Establishing consequences for non-compliance.
 - Establishing a process to remediate such breaches.
- Ensure consistency across our Australian recruitment processes in terms of modern slavery awareness and compliance. We do not have a dedicated human resource department, as each department head manages this.

A handwritten signature in blue ink, appearing to be "R Purdy", written over a horizontal dashed line.

Signature: _____

Date: 26/03/2021

Richard Purdy
CEO