Modern Slavery Statement

Interactive®

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1.   Introduction

At Interactive, we respect and support human rights and are committed to eradicating modern slavery from our operations and supply chain. Modern slavery is a crime.
We do not tolerate discrimination, bullying or harassment, forced or compulsory, child or underage labour. We expect our suppliers and partners to comply with applicable local and international laws, to allow workers the right of freedom of association, to compensate workers for their work in a timely manner that is sufficient to meet the workers basic needs and not use deductions from wages as disciplinary measures.

This Modern Slavery Statement is made under the Commonwealth Modern Slavery Act 2018, reporting for the period ending June 2022. In this statement we describe our business and supply chain and how we operate them. We disclose our risk of modern slavery and explain the framework we have put in place to manage and mitigate this risk.

2.   Our company

For over 30 years, Interactive has been helping our customers spend less time on their IT and more time on their businesses. Interactive is Australia's largest, privately held, IT company. We are the number one independent hardware maintenance provider in Australia and New Zealand. We specialise in public and private cloud & managed services, are a supplier of business continuity and office recovery offerings and provide quality niche data centre services.

For the last few years, we have introduced several environmental and social initiatives and more recently, we have formalised our sustainability strategy – Blueprint for Better. Monitoring, measuring, and eliminating modern slavery is one aspect of this strategy.

Our company purpose is to 'keep technology human' and we recognise that our business activities have an impact on not only our own employees but on the people in our supply chain.
We remain committed to actively promoting a sustainable and diverse operation to limit our social and environmental impact wherever possible.

3. Our structure, operations, and supply chain

3.1. Structure & operations

Interactive Pty. Limited is an Australian Private Company. The annual revenue for financial year ending June 2022 was $218 (AUD) million. We have experienced sustained, revenue and profit growth throughout our history, and our vision takes us into our next era of growth over the coming 5 years.

Interactive has approximately 600 employees and operates across 8 sites in Australia and 1 site in New Zealand. The majority of our employees are full time with 5% either part time or casual. Interactive recruits our employees and contractors directly and does not use labour hire.

The scope of our operational activity includes corporate operations, Hardware Maintenance, Cloud & Managed Services (CMS), Data Centre and Business Continuity services.

Interactive owns a subsidiary company called EraseIT, which provides an equipment decommissioning, disposal and data erasing service. They operate at one site in Tullamarine with approximately 28 full time employees and 1 casual all directly recruited.

3.2. Supply Chain

Interactive's supply chain supports our business activities from the everyday operation of corporate offices, purchasing of computer equipment and parts, transportation of products and fit out and construction of our premises.

Interactive's spend can be split into 13 procurement categories with over 2000 suppliers, 98% of our suppliers are located within Australia. The balance is located in Denmark, Israel, Singapore, UK and the USA. The majority of suppliers are engaged on a long-term basis.

In our Hardware Maintenance and Cloud Managed Services business, we source electronic components directly from the manufacturers or from brokers who have access to a global network. The brokers that we engage are all licensed, the electronic equipment and hardware we procure through them are genuine parts from suppliers such as Cisco, IBM, Dell, and HP. Our top ten suppliers in Hardware Maintenance account for 90% of our spend. Of these top ten, five of the organisations are aware of the issue of modern slavery and have already published a modern slavery statement.

Construction and operation of our business continuity suites and data centres, means that our supply chain is sourced from the property and construction sector. In this sector our aim is to have long-term relationships with well-established, preferred suppliers.

EraseIT has three key suppliers being two freight companies, InfoActiv and ComputerTrans, and one e-waste supplier, United Star Resources.

4.   Risks of modern slavery practices in our operations and supply chain

In 2019, we engaged the sustainability consultancy Edge Environment to undertake a social risk assessment to determine the level and location of risk within our supply chain and operations. The risk assessment method relied on market models that trace commodities and services across the supply chain. This means that the modern slavery risk rating of our procurement reflects not only the generic risk of first tier suppliers, but also second and third tier suppliers that exist upstream. The assessment analysed our 13 procurement categories for risk of child labour, forced labour, wage assessment, excessive working time, exploitation of migrant labour, freedom of association, gender equality, legal systems and corruption The level of risk per category potentially increases with spend and includes the inherent risk of transacting in the industries that the suppliers belong to.

From the risk assessment it was apparent there is modern slavery risk due to the complexity, length, and nature of our supply chain. We found the highest risk of modern slavery to be in our procurement of products or services that involve manufacturing, high-risk materials or low skilled labour. The categories of procurement of goods with the highest risk includes computer equipment, electrical machinery, merchandise, and office furniture. The categories of procurement of services include construction work, cleaning, catering, and business services that are potentially offshored. The two suppliers with the highest percentage of overall spend of 19% and 6% respectively fall into a potential high-risk category.

Key issues related to labour rights, decent work and health and safety account for most of the risk in Interactive's supply chain. Based on internal knowledge of Interactive's business operations and relationships with our supply chain it was concluded that Interactive does not cause or contribute to modern slavery risk. Whilst there was no direct evidence that Interactive is directly linked to modern slavery through our supply chain, the potential of modern slavery in our extended supply chain exists.

4.1. Prioritising areas of risk for future focus

The risk assessment and mapping of our operations and supply chain has improved our understanding of first tier suppliers and modern slavery risk areas. We then used a set of criteria to prioritise risks in our supply chain which can be replicated in future years. With this information, we can increase the effectiveness of our due diligence practices and create a plan of action.

Our criteria for prioritising product categories and suppliers include:
- Risk level: the likelihood that Interactive is involved with modern slavery through its operations or supply chain
- Spend: the annual dollar figure that Interactive spends on a supplier or procurement category
- Control: the degree of direct control generally with categories or directly with suppliers (contracts, proportion of business spend etc.)
- Influence: the ability to incentivise a supplier or work closely together (long term or future business, reputational advantage, capacity building etc.)

Interactive identified the following priority areas to address over the next one to three years:
- Sourcing of furniture for fit outs
- Outsourced financial and other business services by third parties
- Australian labour use for construction
- Onsite labour from contracted services such as cleaning and security
- Merchandise supply chain

The areas found to be of elevated risk and spend level, but with relatively low levels of influence are:
- Supply chain risk in electronics hardware or parts
- Supply chain risk in construction materials and products

5. How we assess and address our risks

5.1. Actions taken to assess and address our risks

In addition to the risk assessment undertaken in the reporting period of the financial year ending June 2020, we also implemented actions that both strengthened our existing risk management process and introduced new due diligence practices. These actions are outlined below.

5.1.1. Code of Conduct and Policies

Interactive's Sustainability Policy, in line with our Sustainability Strategy, is guided by the UN Sustainable Development Goals. and our purpose to 'keep technology human'. It includes Supply Chain Management as one of the key areas of focus for the next three to five years. This is in addition to aligning with the SDGs of gender equality and reducing inequalities.

Interactive has had a long-standing Code of Conduct in place that sets the minimum expectation for our suppliers and partners to respect and support the protection of human rights of all workers in the supply chain. The code covers human rights including child and forced labour, health and safety, environmental responsibility, ethical conduct including responsible sourcing.

We communicate the Code and Policies to our employees, and to all new suppliers who must agree to the Supplier and Partner Code of Conduct as part of their onboarding.

5.1.2. Supplier screening an approval process

We have a strong risk management process in place for new suppliers via checks on background, quality, information security and modern slavery. In 2020, as part of the continual improvement of our supply chain due diligence we developed an in-depth questionnaire that is issued to new suppliers and also issued to high-risk existing suppliers identified as high risk for modern slavery.

The supplier questionnaire covers the key drivers of risk, such as locations, subcontracting, overseas labour, use of labour hire and external recruitment. We ask elevated risk suppliers about the actions they are taking to assess and address human rights issues and modern slavery risks and how well they know their supply chain. The responses of the questionnaire indicate suppliers that require further scrutiny and due diligence.

5.1.3. FairCall Whistle-blower

Since May 2018, Interactive has subscribed to the FairCall Whistle-blower service which provides a hotline by toll-free telephone number, web-based access, post, and fax, for employees and third parties to make confidential reports. We extended this capability to take submissions from suppliers around Modern Slavery disclosures in April 2020. We understand the importance of having a whistle-blower service that is accessible, trusted, and anonymous so that modern slavery

or human rights abuses can be uncovered and remediated. We promote this to suppliers encouraging open communication and make it available externally by publishing it on our website.

5.1.4. Remediation Framework

Interactive has a responsibility to take ownership of incidents and remediate the harms of modern slavery to people that are a result of Interactive's business activities. In May 2020 Interactive established a Remediation Framework, based on The United Nations Guiding Principles on Business and Human Rights, so that our employees are prepared to respond in the most effective and informed manner when modern slavery is discovered.

The Remediation Framework sets out a series of steps, with the ultimate aim to safeguard the victim including the gathering of information, corrective action, decision making for referring to national authorities or expert organisations, rehabilitation, restitution or compensation and evaluation.

5.1.5. Modern Slavery Action Plan

Interactive has established an action plan for preventing, mitigating, and detecting modern slavery. The roadmap sets out a roadmap of actions that spans governance, risk management and due diligence, training and education, supplier engagement, partnerships, evaluation, and reporting.

As modern slavery is a relatively new consideration for our employees, we recognise that we may have inconsistent approaches across our business in addressing modern slavery. The Modern Slavery Action Plan aims to gradually address this, acknowledging that this is a work in progress and that as modern slavery risks in our supply chain will be constantly changing, so too will we need to adapt and change.

5.2. Ongoing action plans

5.2.1. Continue to conduct due diligence with new and existing suppliers

Interactive will continue to engage suppliers in high-risk areas using the modern slavery supplier questionnaire when assessing all new suppliers and re-evaluating existing suppliers. We also have a large number of long-term contracts and over the next financial year, using a risk-based

approach, those contracts deemed to be a high risk and priority will be reviewed and requested to complete the modern slavery supplier questionnaire.

Training

We will be rolling out training to employees on modern slavery to educate and promote awareness of the issue and its relevance to our business, including how to identify modern slavery. Those employees who are responsible for purchasing and engaging suppliers will be prioritised for training and education.

Investigate partnerships or collaboration with industry groups

Interactive will investigate potential industry partnership programs that address human rights issues in electronics or Information Communication Technology supply chain. We recognise that the issue of modern slavery and human rights is extremely complex, layered, and specific to sectors, products or materials, geography, and cultures across our supply chain. Therefore, by partnering with experts who have this specific knowledge, or collaborating with those who have similar supply chain, we can have a wider and more effective impact when mitigating modern slavery.

6.   Assessing the effectiveness

Interactive has an existing risk management and reporting process led by the Risk & Compliance Department, which will form the basis of monitoring modern slavery and human rights risks. This allows evaluation of performance of due diligence actions.

Our online Risk Management Tool is used for logging supplier risks and issues that require addressing. The risks logged online are reviewed in the monthly Risk and Compliance committee meetings and then reported in the monthly Executive Leadership Team and Board of Directors' Reports.

The Risk & Compliance Team is responsible for overseeing that an annual review of the effectiveness of all actions occurs, is reported and reviewed by the Risk and Compliance committee, Executive Leadership Team, and the Board. The evaluation of the effectiveness of actions will include an annual review of:

- Risk register and modern slavery risk assessment to identify any changes over time, such as risks relating to new products or suppliers.
- The responses to our Modern Slavery Supplier Questionnaire and steps taken to scrutinise elevated risk suppliers.
- The number and nature of reports submitted using the FairCall Whistle-blower service.

- Any corrective actions or remediation that has taken place as per the Remediation Framework to ensure the learnings can be used in the prevention of future cases. If no cases of modern slavery have been found, we acknowledge that this does not mean that we do not have modern slavery in our operations or supply chain, but that we need to review the effectiveness of our whistle-blower hotline and due diligence practices.

We will continue to evolve the methods used to assess the effectiveness of our Modern Slavery Action Plan as we progress its implementation.

7. How we have consulted with EraseIT

EraseIT, Interactive's subsidiary company, has a simple supply chain with three tier one suppliers. We have ensured they are informed and understand modern slavery and the risks in their supply chain by meeting with the operations team and providing them with a training session on the issue, the legislation, and its relevance to their business.

We have also provided them with access to our FairCall Whistle-blower service, Remediation Framework, Supplier and Partner Code of Conduct, Modern Slavery Supplier Questionnaire and Modern Slavery Risk Assessment.

8. Additional information
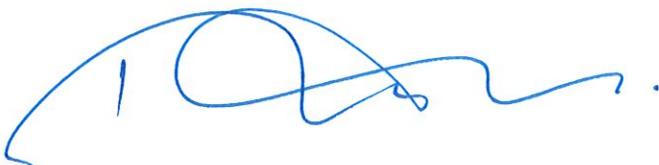
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This statement is approved by the Board of Interactive Pty. Ltd.

Signed,

Brendan Fleiter
Executive Chairman