

AC3

Modern Slavery Statement





Reporting Entity

This Modern Slavery Statement submitted by Klikon Group Holdings Pty Ltd, 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, is prepared in accordance with the Australian Modern Slavery Act 2018 (Cth) (“Act”) for the reporting period from 1 July 2022 to 30 June 2023.

Structure

Klikon Group Holdings Pty Ltd 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. We consulted the relevant companies we own or control in the development of this statement, noting that all entities owned by Klikon Group Holdings Pty Ltd are under the same management and director structure.

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 347 staff and 46 contractors located in Australia and five 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, Corporate Technology Services and Customer Experience.

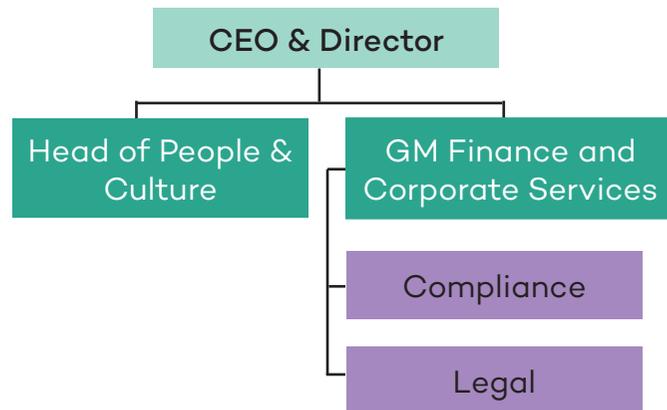
As a full-service provider of ICT solutions, AC3 has a wide and varied supply resources that deliver services and support to customers. This supply includes the following streams:

- 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 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 and [Partner Code of Conduct](#) requires all employees, contractors, representatives, partners and suppliers who work with, for, or on behalf of AC3 to observe the highest standards of ethics, integrity, and behaviour during 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 our Modern Slavery Policy.

This policy sets out AC3's requirements for all individuals 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, Overtime, and our Diversity and Inclusion Strategy.



Assessment and Management of Modern Slavery Risks

AC3 is an ICT service provider with a largely professional, majority Australian-based, workforce. AC3 also maintains various employment policies and a strong, supportive culture for all Staff. As such 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 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. The Policy also outlines how we mitigate, remediate, monitor and report on Modern Slavery risks in our operations and supply chain.

Risks in AC3's Operations

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

Risks in AC3's Supply Chain

For FY2023, AC3 conducted an analysis of its supply chain and based on a materiality and risk approach. AC3 then completed an assessment of its top 16 suppliers by spend and risk based on the output of the analysis. 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 of the common features shared by AC3 and its direct suppliers is that we source products and services from a worldwide network of suppliers. AC3 and our direct suppliers both note that modern slavery risks are more prominent in overseas countries (especially developing countries) and further down our supply chain. Three of AC3's direct suppliers noted heightened potential modern slavery issues related to child labour, forced labour, hazardous working conditions for young workers, inadequate support for migrant workers, violations of wage and benefit standards, excessive working hours, discrimination, and potential environmental and ethical concerns in the supply chain. These suppliers address these risks through detailed standards and guidelines, emphasising the importance of compliance with labour laws, health and safety regulations, and ethical business practices. Another one of our direct suppliers identified modern slavery risks stemming from the global chip shortage and supply issues exacerbated by the COVID-19 pandemic. The potential for cost-cutting measures in response to supply chain disruptions raises concerns about the conditions of workers within the supply chain. While this supplier demonstrates resilience and adaptability in maintaining supplier relationships and securing stock allocations, the broader industry challenges present inherent risks of exploitation. The commitment to sustainability and ethical behaviour is underscored as the supplier proactively engages with suppliers and emphasises ongoing supply chain analysis to comprehensively understand and mitigate modern slavery risks. Based on the corrective action taken by these suppliers, AC3 has determined that no action is required by AC3 in respect of these suppliers.

With an overarching goal to ensure a fair, safe, and ethical working environment within AC3 and throughout AC3's supply chain, AC3 is committed to consistent monitoring of our supply chain. Should any instances of modern slavery become apparent from our continuing assessments, AC3 will develop an action plan to support our suppliers in improving their process and policies in relation to modern slavery risks identified. If AC3's efforts to assist Suppliers with their compliance are unsuccessful due to a Supplier's unwillingness to comply with the Act, then AC3 will consider alternate suppliers that can provide the required products or services.

FY2023 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:

- Updated AC3's Modern Slavery Policy, Partner Code of Conduct and Modern Slavery Questionnaire as needed to reflect AC3's organisational and legal requirements
- Reviewed AC3's employment agreement and conducted checks to confirm that AC3 is meeting or exceeding all minimum employment conditions
- Implemented our supplier selection process to ensure Modern Slavery due diligence is carried out during supplier evaluation
- Reviewed AC3's Partner terms and conditions to ensure Modern Slavery requirements are included and up-to-date
- Reviewed and updating AC3's Whistleblowing Policy and established an anonymous reporting mechanism
- Commenced ensuring that all suppliers – either new or where their contract is being renewed – are required to read and agree to AC3's Partner Code of Conduct
- Created a closer alignment between AC3's Compliance, Legal and Partner Alliances teams to enhance the effectiveness of AC3's Modern Slavery due diligence
- AC3's Modern Slavery Committee undertook ad-hoc meetings – in addition to the Committee's regular quarterly meetings – as needed to more dynamically monitor and address Modern Slavery risks, actions, mitigations and remediation activities

Assessing Action Effectiveness

AC3's Modern Slavery Committee assesses the effectiveness of AC3's Actions, mitigations and supplier assessments. The Committee meets quarterly to review current and past actions, business and supply chain mitigation and remediation activities, relevant policies, supplier and customer requests or issues and changes to relevant legal or organisational requirements. These quarterly reviews enable AC3 to understand whether the actions AC3 is taking are effectively addressing Modern Slavery Risks. Based on these reviews, the Committee develops actions and engages with the wider AC3 business and AC3's supply chain as needed to implement these actions.

AC3's Modern Slavery Roadmap for FY2024

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 to conduct regular risk assessments and audits to identify and address potential instances of modern slavery.
- 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
- Continue monitoring any changes and developments in a supplier's business through an annual engagement.
- New and Existing Supplier Risk Assessment to:
 - Gain an understanding of a supplier's compliance with the Act;
 - Include an evaluation of the risk of modern slavery; and
 - Consult with suppliers, to review and understand any modern slavery risks identified, to identify the most vulnerable worker populations, and to help suppliers protect those workers.
- Continue to provide training as needed to appropriate AC3 staff to assist with the identification of additional modern slavery risks.
- Continue to monitor, evaluate, develop and improve upon existing internal modern slavery compliance mechanisms, processes and procedures.
- Regularly review and update policies and procedures to ensure they are effective in preventing and addressing modern slavery within AC3 and its supply chain.
- Establish a modern slavery reporting mechanism for employees, suppliers, and other stakeholders to report instances of modern slavery within the organisation.
- Collaborate with other organisations, government agencies, and civil society groups to share best practices and address modern slavery.
- Update and automate (where practical) internal mechanisms for tracking and managing Modern Slavery compliance.
- Continue to monitor developments in modern slavery legislation and best practices.

This Statement was approved and signed by Simon Xistouris as the Sole Director and principal governing body of Klikon Group Holdings Pty Ltd and AC3 on 20 December 2023.



Simon Xistouris

Sole Director of Klikon Group Holdings Pty Ltd and AC3

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