

Modern Slavery Statement

Sektor Pty Limited (ACN 140 763 417)

Reporting Period: 1 April 2019 to 31 March 2020

This statement is Sektor Pty Limited's first Modern Slavery Statement (**Statement**) pursuant to the *Australian Modern Slavery Act 2018* (Cth). Sektor Pty Limited (**Sektor**) is part of the Sektor group of companies. Sektor uses the same policies, procedures and governance processes as Sektor Group Ltd.

The purpose of this statement is to outline the actions Sektor, as part of the Sektor group, is taking to assess and address modern slavery risks in its business operations and supply chains, and how we plan to continue to improve our frameworks and processes in the future.

Our Structure

Sektor Pty Ltd is an Australian private company. It is a subsidiary of the New Zealand entity Sektor Group Limited (**Sektor Group**). The group structure includes other subsidiaries including Sektor Ltd (Auckland, New Zealand), Sektor Distributors Sdn., Bhd., (Kuala Lumpur, Malaysia), Sektor (Thailand) Co., Ltd., (Bangkok, Thailand), and Sektor (Vietnam) Co., Ltd, (Ho Ch Minh City, Vietnam).

The Sektor Group specialises in delivering and distributing innovative and efficient technologies for the retail Point-Of-Sale, networking, security, cyber security, healthcare, ergonomics, and mobility markets.

Since its inception in 2009, Sektor Group has grown to a team of over 197 people, operating in 12 cities, with 6 warehouses, across Australia, New Zealand, Thailand, Malaysia and Vietnam.

Our Operations and Supply Chains

Sektor's main operations include distribution to established resellers who install into the retail Point-Of-Sale, networking, security, cyber security, healthcare, ergonomics and mobility markets through its established reseller network.

Sektor Group's operations also include services such as pre-sales consultancy and managed roll-out services.

As a 100% channel focused business, everything Sektor does is about delivering value to its partners. Sektor constantly researches industry and technology trends and builds trusted vendor relationships, to ensure it can bring its partners the latest and greatest. Sektor strives to help partners to engage more deeply with their customers by delivering technology that improves business outcomes.

Sektor works with many international suppliers that provide the products we supply and sell. More information about the suppliers we work with can be found on our website: <https://www.sektor.com.au/Brands>.

Our warehousing operations involve the distribution of Point-Of-Sale hardware, security cameras, healthcare products, ergonomic products and portable mobility products. The warehouses are fully operated by Sektor Group with the workers in these warehouses being employed directly by Sektor, except for our Vietnam operation where our warehousing is operated by a recognised third party logistics (3PL) company.

Our supply chain comprises mainly of global well known multi-national technology companies that we have enjoyed long term relationships with. The list of brands that Sektor represents and distributes are listed on our web site.

Potential risks in operations and supply chains

Sektor Group's focus is on potential risks to people rather than risks to our business entities.

As an electronics distributor, Sektor Group recognises that the industry in which it operates has the potential to be a high risk area for modern slavery. Sektor Group is at risk of being directly linked to modern slavery as many of our suppliers have production sites in the Asia Pacific and China regions where human rights risks can be considered on the higher side.

In our supply chains both globally and in Australia, the risks of modern slavery are predominantly associated with our manufacturing suppliers who operate in countries where there is high volume of foreign migrant labour and potentially less legal entitlements for workers. These types of risks for these supply chains include poor working conditions and a lack of employment entitlements. Further risks could arise where a supplier may use parts or components that have been sourced from third parties (e.g. factories, or mining in the case of minerals and resources used to create the products we distribute). In such instances, there may be a strong focus on minimising production costs and poor labour practices. Identifying and addressing these potential risk scenarios both at a group and local level will be the priority of our supplier engagement activities over the next reporting year.

Within Australia, Sektor has warehouses in Sydney and Perth. Elsewhere, warehouses are situated in New Zealand (Auckland), Malaysia (Kuala Lumpur), Thailand (Bangkok) and Vietnam (Ho Chi Minh City). In the section above covering our operations and supply chains, we included detail around our warehousing operations. As we maintain full control of our owned and operated warehousing operations, there is no risk of modern slavery as we ensure a high level of working conditions. We have a statement from our Vietnam 3PL warehousing that no modern slavery exists within their operations.

We will use these potential risk scenarios to prioritise our supplier engagement activities over the next reporting period (1 April 2020 to 31 March 2021).

Assessing and addressing the risk of modern slavery practices

Sektor Group has formal policies and procedures in place to promote ethical, open and transparent business conduct for our employees and suppliers. These policies and procedures apply to Sektor. Sektor Group's policies contribute to our commitment to prevent violations of human rights, including modern slavery. These policies include our **Whistleblower**, **Bribery and Corruption**, **Children in the Workplace**, **Code of Conduct**, and **Health and Safety** policies. These policies include general remediation processes that address various adverse human rights impacts to allow people to safely raise concerns.

Sektor Group will continue to review its policies to ensure that they include processes to also help address the risk of modern slavery in our operations and supply chains.

During our first reporting period, our focus has been on gaining a better understanding of modern slavery risks and how those risks may be present in our operations and supply chains. As part of our modern slavery due diligence, we have considered risk factors including the sector we operate in, the types of products we distribute, as well as the geographical locations where those products are manufactured.

Many of our suppliers are large multi-national companies who have robust modern slavery compliance measures already in place. We know that many of them have and are separately reporting on their modern slavery initiatives under the UK and Australian legislation.

Measuring effectiveness of actions taken

Sektor is working to develop internal processes to ensure it can track the effectiveness of the actions it is taking to identify and address modern slavery risks in its operations and supply chains. This includes developing an annual review process. We will also continue to engage with our suppliers and review their modern slavery practices.

Sektor Group will continue to implement further mechanisms to assess the effectiveness of its actions.

Commitments for the next reporting period (1 April 2020 to 31 March 2021)

One of our commitments for the next reporting period is to engage further with our suppliers and continue to develop mechanisms to identify and address modern slavery risks in our operations and supply chains.

Engaging with our Tier 1 suppliers

From September 2020 we began to send correspondence to our Tier 1 suppliers asking that they notify us if they are aware or become aware of any modern slavery risks within their business. This correspondence covered the following:

- we strongly encouraged all of our suppliers to have modern slavery controls in place (e.g. supply chain mapping, due diligence exercises, policies, procedures and training regarding modern slavery risks and identification.)
- we asked our suppliers to provide details of any actual or suspected occurrence or incident of modern slavery in any of our suppliers' supply chains which has a connection with Sektor. This includes details of any investigation, inquiry or enforcement proceedings regarding any modern slavery related offence or alleged offence that has occurred.

To date we have received Modern Slavery Statement's from our Tier 1 suppliers. The engagement and feedback Sektor receives as part of this process will inform and help to develop our ongoing strategy for our modern slavery compliance framework.

A new Modern Slavery Policy for Sektor

Separately, in November 2020 Sektor's Board approached and implemented a Modern Slavery Policy. It outlines Sektor Group's commitment to identifying and addressing risks of modern slavery. The policy described Sektor Group's expectations for its personnel, and the standards we expect from those in our supply chain.

Some key parts of our policy include the following commitments:

- adhering to **applicable laws and regulations** in the countries which we operate
- continually engaging with our suppliers to **better understand their supply chains** and any potential modern slavery risks they face
- continually engaging with our Personnel and suppliers to **raise awareness** and identify **potential risks of modern slavery** in Sektor's operations and supply chains. This includes communicating with our suppliers regarding the actions Sektor would like them to take and how they can engage with Sektor on any modern slavery matters that arise
- strongly encouraging our suppliers to have **modern slavery controls** in place (e.g. supply chain mapping, modern slavery due diligence exercises and policies)
- requiring our suppliers to **notify us** of details of any actual or suspected occurrence or incident of modern slavery, and working with our suppliers to assess the issue and consider next steps
- where modern slavery **issues are identified**, taking appropriate action
- providing our Personnel with a **non-discriminative work environment** that is free from harassment or victimisation, and encouraging them to speak up about any human rights or modern slavery risks they become aware of
- **prohibiting** engagement in any form of modern slavery, including child labour in its supply chains

Other commitments

In addition to the above, we have set the following priorities for the next reporting period:

- To ensure that any new supplier to Sektor provide details of the steps it is taking to address potential risks of modern slavery in its supply chains., and to provide details of any actual or suspected occurrence or incident of modern slavery in any of its supply chains.
- To review existing suppliers Modern Slavery Statements.
- To review both supplier's and Sektor's Modern Slavery Statement's to ensure compliance with the Act.
- To ensure all major suppliers have Modern Slavery practices in place.
- To include Modern Slavery Statement reviews as a function within Sektor's risk committee responsibilities.

Statement version and revision information

This statement was authorised by the Board of Directors, Sektor Group Limited, November 2020.

JE Warren – Director/Chairman

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Sektor Group Ltd