

ETHANGROUP



Modern Slavery Statement

1. INTRODUCTION AND PURPOSE

Ethan Group Pty Ltd (“**Ethan Group**”, “**we**”, “**our**”) is committed to identifying and combatting modern slavery throughout all facets of our business activity. This includes the detection and eradication of coercion, threats, or deception used to force a victim to provide labour or services; human trafficking; debt bondage; and forced marriages. Our efforts in combatting modern slavery ensures that we fulfil our responsibilities under the United Nations Guiding Principles on Business and Human Rights, the Modern Slavery Act 2018 (Cth) and protects the integrity of our business and the quality of our supply chains.

Modern slavery does not include underpayment of workers or substandard working conditions. Despite this, we understand that substandard working conditions and underpayment should be addressed seriously, as they are harmful, may be illegal, and can develop into modern slavery.

This statement communicates and discloses Ethan Group’s structure, operations, supply chain and the policies and procedures we have implemented to assess and address the risk of modern slavery for the financial year ending June 2020.

2. ETHAN GROUP’S STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Founded in 2002, Ethan Group is an Australian-owned information technology and communications service provider that offers systems integration, technology sourcing, business systems architecture, telecommunications, and information communications technology (ICT) consulting services to more than 1,000 customers in five countries.

Unique in its ability to combine IT, telecommunications and cloud, Ethan Group has more than 17 years of experience building and managing communication, application and infrastructure solutions for medium-sized businesses, large multinationals and government organisations.

2.1 SUPPLY CHAIN

The majority of Ethan Group’s revenue is expended on IT products (**for the purpose of resale**) from companies who operate in a global supply chain. We do not manufacture any goods ourselves; we resell products to end users and wholesalers.

Additionally, we rely on suppliers from the following areas:



Office facilities (e.g. landlords, stationery, cleaners, electricity, etc.);



Professional services (e.g. accountants, finance providers, legal advisers, insurance, etc.);



Event catering (e.g. restaurants, cafes, supermarkets, etc.);



Personnel (e.g. employees, independent contractors, recruitment services, etc.); and



IT infrastructure (e.g. data centres, telecommunications, Internet, etc.).



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3. RISKS OF MODERN SLAVERY PRACTICES IN ETHAN GROUP'S OPERATIONS AND SUPPLY CHAINS

Ethan Group procures products and materials from supply networks around the world. As with all companies that work with international supply chains, this arrangement carries the risk of manufacture or sourcing of elements in jurisdictions without local laws protecting vulnerable groups against forced labour, human trafficking, and other forms of modern slavery.

Ethan Group also sources electronic products, which require rare minerals to function. These supply chains involve risk of forced or child labour in the certain mining region communities.

Domestically, there is an immaterial risk of modern slavery practice occurring. Our employees are hired under a standard contract that permits each employee to freely terminate their employment upon written notice. All employees are paid at or above minimum wage as prescribed under relevant legislation or modern award.

3.1 RISKS OF MODERN SLAVERY IN ENTITIES WHICH ETHAN GROUP OWNS OR CONTROLS

In FY20, Ethan Group has not identified any instances of modern slavery within entities it owns or controls. There is an immaterial risk of modern slavery practices occurring in owned or controlled entities as Ethan Group is a critical link in each owned or controlled entity's supply chain for the majority of their supplier needs.

4. ACTIONS ETHAN GROUP HAS TAKEN TO ASSESS AND ADDRESS THOSE RISKS

During FY20, Ethan Group implemented both a Human Rights Policy and a Supplier Code of Conduct. The documents were provided to key suppliers with the highest annual spend (**Top Tier Suppliers**) for their review and observance over the course of their business with us.

Our Human Rights Policy reaffirms, amongst other things, our zero tolerance towards the use of child labour, force or compulsory labour within our operations and those of our contractors. Our Supplier Code of Conduct outlines our expectation that suppliers provide a fair and ethical workplace free from workplace bullying, harassment, victimisation and abuse. It also outlines our expectation that suppliers engage in all reasonable efforts to ensure their supply chains are not engaged in, or complicit to human rights abuses.

We also surveyed the Top Tier Suppliers to better understand the risks in our supply chain and monitor the procedures they have in place to assess and address modern slavery.

Additionally, we implemented a Whistleblowing Policy and provided training to all our staff on its purpose on how to report corruption under the policy.



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5. ASSESSING THE EFFECTIVENESS OF THOSE ACTIONS

In FY20, Ethan Group did not identify any instances of modern slavery within its operations or supply chain, both domestically and internationally.

No response to our Top Tier Supplier survey caused alarm. However, not all Top Tier Suppliers responded to the survey. We are monitoring the response rate and will assess the survey process, systems and content to find ways to increase its efficacy.

We measured the effectiveness of the Whistleblowing Policy by monitoring which staff attended the training and testing their understanding via an online assessment. Any staff member who did not display a sufficient understanding of the policy was required to repeat the training and assessment.

Moving forward, Ethan Group's focus will be:

- (a) improving our vendor relationships with key suppliers and internal understanding of risk within our supply chain;
- (b) entrenching modern slavery compliance requirements within vendor contracts; and
- (c) ensuring its employees understand the risk of modern slavery.

We will measure how effective our planned activities are by monitoring how many staff have understood our related policies and which vendors have received our Supplier Code of Conduct.

6. CONSULTATION

Under section 16(1)(f) of the Modern Slavery Act 2018 (Cth), Ethan Group is required to consult with its owned and controlled entities. The personnel responsible for governing the owned and controlled entities are similar throughout (e.g. the same CFO for all entities). Consultation with the CFO determined that Ethan Group was the only entity considered a reporting entity for the purposes of the Modern Slavery Act 2018 (Cth).

This Modern Slavery statement has been approved by the Board of Ethan Group.

Paul Kawtal
CEO and Company Secretary