



MODERN SLAVERY STATEMENT

2020/2021



Modern slavery and human trafficking statement 2020/21

This is the first Modern Slavery Statement made to represent the business activities of Scorpion Technology Unit Trust as trustee for Scorpion Computers Pty Ltd, ABN 79 775 620 896 (“Scorptec”, trading as Scorptec Computers) for understanding and implementing actions to minimise and mitigate the risk of modern slavery and human trafficking in our operations and supply chain.

Introduction

This Modern Slavery Statement (“Statement”) in compliant with the Australia Modern Slavery Act 2018, covering the period from 1 July 2020 to 30 June 2021. The purpose of this statement is to outline our actions and approaches to ensure Scorptec has sound and robust processes in place to detect and minimise the risk of modern slavery in our daily operations and supply chain. Scorptec acknowledges that modern slavery and human trafficking occurs in many forms, such as slavery, human trafficking, forced labour, child labour, servitude, forced marriage, debt bondage and deceptive recruiting for labour or services.

Scorptec is committed to conducting our business ethically and responsibly. We take ethical sourcing seriously. We embrace the commitment for fair and legitimate business interaction and respect the rights and dignity of all people, including internal employees and people impacted within our supply chain.

Our structure, operation and supply chain

Established in Melbourne, Australia 1998, Scorptec has grown to become one of the largest IT retailer in Australia. We work with over 100 vendors which 93% are locally based, providing end-to-end IT products, cloud solutions. Scorptec has over 200 employees with its direct business operations in Australia and a call center and support team members based in Philippines who is contracted through an Australian based provider. Our headquarter is located in Melbourne, with multiple stores in Melbourne and Sydney.

We believe the respect for human rights is a fundamental value to our customers, our business partners and the broader community. To prevent any possible human rights abuse, we conduct regular audit, to review and report any local and overseas supply chain for general compliancy on a range of indicators used to assess the compliancy and effectiveness of our own responsibility towards modern slavery.

We have assessed our key business activities and supply chain as follows:

Main business activities	Supply chain
Provision of technology products and services, including but not limited to hardware, software, cloud solutions to businesses or end customers.	Over 100 international and local vendors supplying ICT products, software, cloud solutions and services to Scorptec for reselling purpose.

Main business activities	Supply chain
<p>Business operations to support the daily operations of Scorptec other than the supply of inventories and services for reselling purposes.</p>	<ul style="list-style-type: none"> • Contractors and sub-contractors who deliver services directly to Scorptec (i.e. courier service) • Rental of warehouse and offices • Utilities • Professional services/consultants who provide services directly to Scorptec • Office consumables and promotional merchandise • Uniforms and work attire (i.e. safety vests)

Risk identification and our approach

In the 2020/21 reporting period, we undertook a review of the potential risks of modern slavery matters across our operations and supply chain, by reviewing three main aspects:

1. Internal human resources
2. External supply chain related to distribution business segment
3. Other external supply chain related to daily operation.

During the assessment process, we considered risks that might pose and/or contribute directly to modern slavery practices, in accordance with the “Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities” issued by Australian Government’s Department of Home Affairs.

Internal risk assessment – HR practice

In 2020/21, Scorptec has an average of 200 employees - 85% permanent and 15% casual. When reviewing the internal risk for modern slavery matters, Scorptec considers our organisation to be relatively at low risk. All employees, permanent or casual are employed in Australia and Philippines through official and proper recruitment process that meets the employments standards.

Our internal human resources policies are designed to protect all our employees and formal employment contracts are provided and signed between Scorptec and our employees.

All employees recruited are individually assessed by our internal Human Resources (HR) department, according to our established recruitment policy. All employees sign an employment contract with Scorptec and received formal induction training, which includes clear definition of their duties, rights and obligations. The HR department has documentation for ongoing review and procedures for the visa status management of non-Australian passport holders.

Scorptec identified that though our internal operations and supply chain has low to no risk of modern slavery, in any operational activities that are not fully covered by our internal processes or directly performed by Scorptec employees, the risks may still exist thru external parties and supply chain.

External suppliers risk assessment

Through our Supplier review and approval process, we ensure all our suppliers are fully aware of our position over ethical business behaviour and zero tolerance over modern slavery practices. We achieve this by ensuring our Supplier Code of Conduct (SCC) has been delivered to our suppliers, and request for their acknowledgment by obtaining their confirmation in writing. The SCC is a key tool for preventing modern slavery in our supply chain, all forms of forced labour are prohibited in our SCC, including physical confinement in the work location, child labour, forced overtime and withholding of deposits or personal documents for employment.

External supply chain – distribution of IT products and services

Scorptec major supply chain consists of over 100 products and services suppliers. During the last reporting period, we focused on addressing the modern slavery risk with our top 10 suppliers. During 2020/21, we conducted a review of our top 10 suppliers and identified all are in compliant. From this supplier's publicly corporate social responsibility statement, it stated that although it's not a formal member of the Responsible Business Alliance (RBA), it voluntarily supports and follows "Code of Conduct – Responsible Business Alliance, RBA". The RBA facilitate industry coalition standardises the social responsibility practices and enforcement collectively. It also updates and shares the best practices in identifying and mitigating modern slavery risk.

External supply chain – daily operation

Other than suppliers for inventories and IT services under our retail business, other divisions of the supply chain that support our daily operation includes courier services, utilities, rental services, and office supplies. When combining the purchases of inventories and IT services, the daily operation purchase accounted for approximately 1% of the total purchase during 2020/21. As most of the services obtained were produced domestically (courier service, utilities and rental service), this area is considered relatively low in modern slavery risk.

Our policies and procedures

We have formal policies in place to promote ethical and legally compliant business conduct and relationships. These policies contribute to our core value of "making a positive difference". We believe in sustainable development and strive to conduct our business with uncompromising integrity and professionalism, including our commitment to preventing violation of human rights.

When procurement is made, the supplier must sign the confirmation for compliance of our SCC, which includes the terms of anti-modern slavery. We articulate our expectations to suppliers through our SCC, which is available on our website. All new suppliers added to our qualified supplier list are reviewed to ensure our modern slavery processes in place are complied with.

We have established reporting procedures and mechanisms for employees and external parties to report any concerns regarding unethical or illegal conduct. Employees can report to their manager, or if they wish to do so anonymously, can notify us through our whistle-blower scheme by e-mail, phone or online portal.

Moving forward

Over the next reporting period, our key focus will be:

- Review and update our suite of risk-related policies and governance control measures.
- Extend the modern slavery assessment to the rest of our key suppliers

Our commitment to prevent modern slavery practices in our supply chain and internal operations are ongoing. We will continually review and improve on the measures we have established.

Approval

Preventing modern slavery and human rights abuse is consistent with the core values of Scorptec Computers.

This statement was approved by the Directors of Scorpion Technology Computers Pty Ltd (SCORPTEC) on 17 November 2021.

William Kartawidjaja

Director,
Scorptec