

MODERN SLAVERY STATEMENT

For the reporting period 1 July 2022 to 30 June 2023

Introduction

The Tesseract Group considers ethical labour practices and human rights to be a top priority and we are committed to treating everyone who works at or with Tesseract with dignity and respect. As an organisation, we strive to improve the ethical standards both within our business and in our supply chain by working in partnership with our suppliers to minimise the risk of modern slavery.

This Statement is made on behalf of the entities listed in Section 2 which are part of the Tesseract Group (referred to as 'Tesseract' or 'we'). This Statement was prepared in accordance with the Modern Slavery Act 2018 (Cth) and describes the steps that Tesseract has taken during the financial year 2023 (FY23) to identify, assess and address the risks of modern slavery in our business and supply chains and our assessment of the effectiveness of these steps.

The Group's organisation structure

This Statement is made on behalf of Tesseract Limited (ABN 13 605 672 928) which is a reporting entity under the Modern Slavery Act 2018 (Cth) ('the Act').

The Tesseract Group is incorporated and headquartered in Melbourne, Australia and comprises 24 wholly owned subsidiaries across Australia, New Zealand and Singapore – none of which are reporting entities for the purposes of the Act.

These subsidiaries are listed below:

Company Name	Place of incorporation
Pure Security Managed Services Pty Ltd	Australia
Tesseract Wholesale Pty Ltd	Australia
Tesseract IP Pty Ltd	Australia
Tesseract Cyber Services Pty Ltd	Australia
Rivium Pty Ltd	Australia
Pure Security Pty Ltd	Australia
Certitude Pty Ltd	Australia
Hacklabs Pty Ltd	Australia
Securus Global Pty Ltd	Australia
Pure Hacking Pty Ltd	Australia
North Security Digital Pty Ltd	Australia
Seer Security Pty Ltd	Australia
Airloom Holdings Pty Ltd	Australia
Ludus Information Security Pty Ltd	Australia
iQ3 Pty Ltd	Australia
Lateral Security (IT) Services Limited	New Zealand
Secure Logic Pty Ltd	Australia
Tesseract Cyber Services Limited	New Zealand
Loop Secure Pty Ltd	Australia
Secure Alliance Pty Ltd	Australia
Claricent Pty Ltd	Australia
Pearson Corporation Pty Ltd	Australia
iQ3 Pte Ltd	Singapore
Tesseract Academy Pty Ltd	Australia

During the reporting period 1 July 2022 to 30 June 2023, Tesseract Limited was an Australian domiciled entity which was listed on the Australian Stock Exchange (ASX: TNT). On 13 June 2023, Tesseract announced that it had entered into a Scheme Implementation Deed (SID) with Thales Australia Holdings Pty Ltd (Thales Australia), a wholly owned subsidiary of Thales under which it was proposed that Thales Australia will acquire 100% of the share capital in Tesseract. On 22 September 2023, the Federal Court of Australia approved the SID and on 4 October 2023, Tesseract Limited was acquired by Thales Australia Holdings Pty Ltd ACN 008 642 751.

Tesseract's operations and supply chain

OPERATIONS

Tesseract is a global leader in full-service cybersecurity solutions. With over 500 cybersecurity professionals located in offices across Melbourne, Sydney, Canberra, Auckland, Wellington and Christchurch, we partner with clients from all industries and all levels of government to deliver comprehensive, tailored solutions to prevent, detect and mitigate potential cyber-attacks (Cyber 360).

Tesseract's Cyber 360 offering provides products, services and strategic advice to more than 1,200 Enterprise, Government and Critical Infrastructure clients.

We have deep expertise in the key areas of:



CYBER 360 – COMPREHENSIVE CYBERSECURITY SOLUTIONS

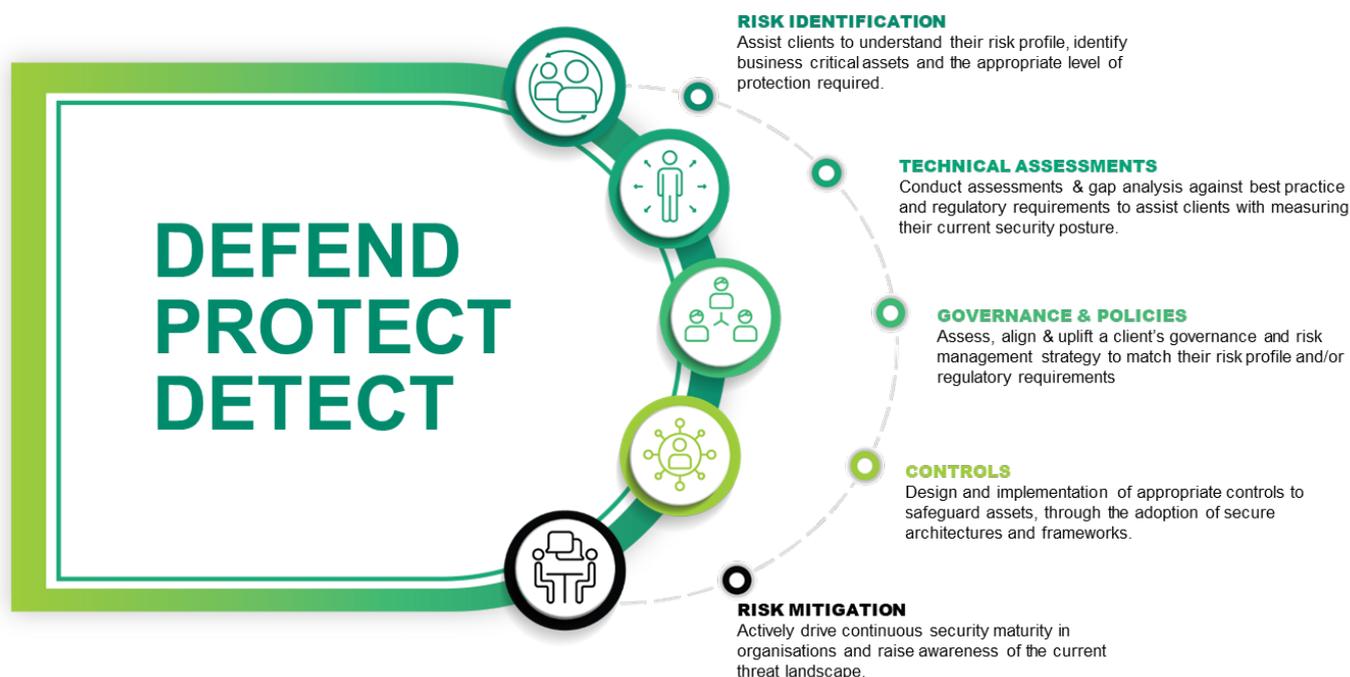
Tesseract's Cyber 360 strategy combines products from world-leading cybersecurity vendors to deliver comprehensive, tailored solutions to prevent, detect and mitigate potential cyber-attacks, helping clients achieve full end-to-end protection for their digital assets.

It has 6 strategic divisions:

- Federal;
- Cloud;
- Defend and Protect;
- Detect;
- Academy Training Associates; and
- Innovation and IP Development.



Tesseract's Cyber 360 strategy involves the following steps:



KEY SUPPLY CHAINS

Tesseract's supply chain consists of goods and services that support our cyber security and cloud services. As a professional services focused organisation our primary expenditure within the reporting period was in the remuneration for our Australian and New Zealand based team members. Secondary expenditure that provides the infrastructure, facilities and other support required to enable the delivery of our services exist in the following key categories:

- IT technology (Software and Hardware)
- Telecommunications (Carriage Services and Facilities)
- Business Premises and Facilities
- External Professional Services
- Travel and Administration

The goods and services that Tesseract procure are predominantly sourced from suppliers based in Australia.



Risk assessment and management

GOVERNANCE AND POLICY

Tesseract is committed to operating in an ethical and legally compliant manner and has in place a robust governance framework to support this commitment. Tesseract has developed and issued policies and procedures that support and promote this approach including:

- Privacy Policy
- Equity & Diversity Policy
- Environment Best Practice Policy, and
- Corporate Social Responsibility Policy.

Reviewing Tesseract's compliance to the Modern Slavery Act 2018 (Cth) falls within the scope of the Board. In the first reporting period (1 July 2021 to 30 June 2022), the company established an internal Modern Slavery Working Group to identify and assess modern slavery risks in the supply chain, develop policies to better manage modern slavery risks within the supply chain, and promote awareness of modern slavery to the broader business and staff. The internal Modern Slavery Working Group undertook a mapping exercise of its suppliers to identify its supply chain categories and made an initial assessment of potential exposure to modern slavery risks.

As a result of the work undertaken in the first reporting period, during this reporting period the following actions were taken by the company to assist it to identify and manage modern slavery risks in the supply chain:

- The company implemented a change to its Master Service Agreement to include contractual obligations aimed at modern slavery identification and prevention on both the supplier and on Tesseract; and
- The company continued to identify and assess modern slavery risks in Tesseract's supply chain through researching third party contractors to provide services to its clients.

The company intends to implement a Modern Slavery Policy. This policy was not finalised in FY23 and is expected to be implemented in FY24.



DUE DILIGENCE, SUPPLIER ASSESSMENTS AND SUPPLIER MANAGEMENT

As a primarily professional services focused organisation with 98% of our workers employed or contracted in either Australia or New Zealand, Tesseract’s operations are generally considered to be low risk of slavery or human trafficking practices.

Our employees are subject to the relevant Australian or New Zealand labour laws including the Australian Fair Work Act 2009 (Cth) or the New Zealand Employment Rights Act 1996.

Tesseract has one operation outside of the Australia and New Zealand region limited to professional consulting services. These are considered low risk of modern slavery practices due to the high-skill, highly educated level of our employees.

Accordingly, as the major operational expenses involve the employment or engagement of staff in our offices in Australia or New Zealand to deliver high-skilled professional services, Tesseract has assessed the risk of modern slavery in its main operations as low.

SUPPLIER PROFILES

Tesseract recognises that some of its expenditure is directed towards suppliers that source goods and services from outside Australia, including some geographies that have a higher modern slavery risk profile. In the first reporting period, Tesseract undertook a mapping exercise of our suppliers and identified the following supply chain categories, together with an initial assessment of their relative exposure to modern slavery risks:

Supply Chain Category	Modern Slavery Risk Exposure
IT Technology <i>(Software and Hardware)</i>	Electrical goods and software development are recognised as high-risk industries globally. We procure from leading, globally recognised suppliers through their operations in Australia who have mature measures to reduce modern slavery risks in their supply chains, including independent auditing and public reporting of key measures and KPIs. Our assessment of these providers indicates they are taking adequate steps to identify and manage modern slavery risks.
Telecommunications <i>(Carriage Services and Facilities)</i>	These services and facilities are sourced from Tier-1 licenced telecommunications providers based in Australia or New Zealand that have their own modern slavery policies and procedures in place. Considered low risk.
Business Premises and Facilities <i>(Rental, cleaning, and environmental management)</i>	Cleaning and maintenance services are recognised as high-risk services globally. Tesseract typically uses the cleaning services provided by the building management at each of our Australian and New Zealand offices. Tesseract continues to monitor this part of its supply chain to identify and manage any modern slavery risks.



External Professional Services <i>(Legal, Accounting, Taxation, Insurance and Marketing)</i>	Considered low risk. Sourced from Australian and New Zealand based high-skilled professionals.
Travel and Administration <i>(Staff Travel and Staff Amenities)</i>	Considered low risk. Nearly all travel occurs either domestically within Australia or New Zealand on recognised major carriers.

The initial assessment of Tesseract's supply chain and its potential exposure to modern slavery risks has not changed in this reporting period.

SUPPLIER ASSESSMENTS

During this reporting period, Tesseract conducted research on its suppliers to identify and assess modern slavery risks which may be specific to individual suppliers. It also introduced new contractual obligations in its Master Service Agreement aimed at assisting it to identify modern slavery offences and encourage compliance with modern slavery laws.

As a result of the supplier mapping process that was undertaken in the first reporting period, Tesseract commenced planning for the implementation of a supplier assessment and modern slavery risk screening process for all new and existing suppliers. The purpose of this supplier assessment process will prioritise suppliers with relatively high exposure to modern slavery risks based on the categories identified through the high-level mapping exercise. Further work is being done to finalise these processes and it is expected to be implemented in FY24.

During the next reporting period, Tesseract is planning to improve upon its existing systems and procedures by implementing a modern slavery policy and implementing a supplier code of conduct to describe the minimum expectations of Tesseract's suppliers in the areas of integrity, ethics and conduct, conflict of interest, health and safety, and labour and human rights which will include the elimination of any modern slavery practices.

OUR PEOPLE

Tesseract is an equal opportunity employer and recognises that people are our greatest investment and asset. We are committed to providing a working environment across all levels of our business that fosters fairness, respect, and equal access to opportunities regardless of individual differences.

Therefore, Tesseract is committed to diversity that incorporates all characteristics that make individuals unique from each other, these include (without limitation) factors such as race, religion, age, family status, ethnicity, gender, and disability. We recognise the benefits of diversity in the workplace and that it is essential in maintaining the Company's strong corporate performance.

Tesseract people and culture team works with the leadership team and everyone within the organisation to form a complete picture of their current capabilities and ambitions, map out their development opportunities and provide them with personalised training and development pathways.



Tesseract considers the continued skill development and therefore empowerment of the industry workforce as a significant contributing factor towards minimising the risk of modern slavery and human trafficking.

During this reporting period, Tesseract has been developing enhanced training packages for its staff which include further awareness and education about modern slavery practices. It is expected that this training will commence for all new and existing staff from early 2024.

Assessing the effectiveness of our controls

Tesseract published its first Modern Slavery Statement for the period 1 July 2021 to 30 June 2022 in May 2022. Several of the actions set out in that statement were newly introduced during that first reporting period and our aim was to monitor and improve upon our processes and actions during subsequent reporting periods. The initial risk assessment and high-level supplier mapping we undertook in the FY22 reporting period provided a baseline to enable us to assess the effectiveness of our actions in future periods as we continue to improve and mature our processes.

Whilst Tesseract has assessed its potential exposure to modern slavery risks as low, it acknowledges that it is not immune and it is committed to implementing and improving upon its processes to identify and eliminate modern slavery practices within its business and supply chain. Integrating contractual terms about modern slavery into our agreements with suppliers is one of the actions that was taken by Tesseract during this reporting period. Enhanced training packages for our staff which incorporate modern slavery awareness and education were developed during the FY23 reporting period and are due to be commence in early 2024.

Next steps

Tesseract is committed to continuously improving the ethical standards within its business and in its supply chain. In FY24, we plan to:

- develop and implement policies to better manage modern slavery risks within the supply chain including developing a Modern Slavery Policy within our business;
- further educate our staff on modern slavery and train staff to screen for modern slavery risks by incorporating modern slavery training into our broader employee training program;
- promote continuous dialogue and information sharing between Tesseract and our suppliers by reviewing and improving the contractual provisions in our supplier agreements relating to modern slavery risks to encourage compliance with modern slavery laws.



Consultation and approval

In accordance with Section 13(2)(d) of the Modern Slavery Act, this Statement was prepared by Tesseract's internal Modern Slavery Working Group and approved by the Board of Tesseract Limited on 21 December 2023.

The Board is the principal governing body of Tesseract for the purposes of approving this Statement and has authorised the Group's Chief Executive Officer, Kurt Hansen to sign this Statement.



22 December 2023

Signed

Date

Kurt Hansen
Director and Chief Executive Officer
Tesseract Limited



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