

Klikon Group Holdings Pty Ltd

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 (“AC3” or “we” or “us” or “our”), is prepared in accordance with the Australian Modern Slavery Act 2018 (Cth) (“Act”) for the reporting period from 1 July 2021 to 30 June 2022.

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.

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 335 staff and 55 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 & Technology and Internal IT.

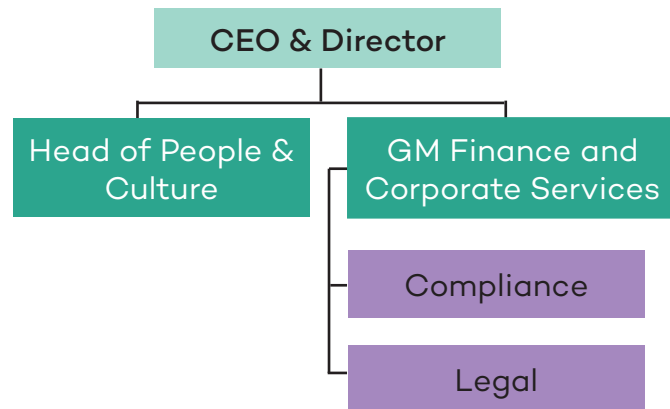
As a full-service provider of ICT solutions, AC3 has a wide and varied supply of resources that deliver services and support to customers. This supply includes the following streams:

- 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 in accordance with its Corporate Social Responsibility Policy 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 requires all employees, contractors, representatives, and suppliers who work with, for, or on behalf of AC3 to observe the highest standards of ethics, integrity, and behaviour in the course of 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 individual 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, Recruitment and Selection, Overtime, and Diversity and Inclusion.



Assessment and Management of Modern Slavery Risks

As an ICT service provider with a largely professional workforce, 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 business's operations and supply chain.

Risks in AC3's Operations

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

Risks in AC3's Supply Chain

For FY 2022, AC3 conducted an analysis of its supply chain and based on a materiality and risk approach, AC3 then completed an assessment of its top 159 suppliers by spend and risk based on the output of the analysis. This is an increased scope from prior year assessment. 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. Two of AC3's direct suppliers noted heightened modern slavery risks associated with non-local/migrant labour in their supply chains and have acknowledged these workers' vulnerability to exploitation. Measures have been implemented by those suppliers to ensure these workers are treated in line with applicable local workplace laws.

Another one of our direct suppliers identified several modern slavery risks in its supply chain, including the risk of forced labor with students and dispatch labor in China, foreign students in Japan, and migrant workers in certain high-risk countries in Asia. The forced labour risk is highest in the supplier's indirect supply chain, particularly where facilities are reliant on low skilled, temporary or foreign labour. The supplier has undertaken the following actions to remediate the forced labour risk: reviewed the risk and strengthened their approach for identifying potentially high risk suppliers in their indirect supply chain and engaged with a broad range of stakeholders to research and better understand issues of concern regarding social and environmental responsibility in their supply chain, including geographic risks, labor trends, and environmental risks.

While most of AC3's direct suppliers are not directly involved in manufacturing IT products, many of them have acknowledged that goods such as cobalt, diamonds, gems, silver, copper, gold, tantalum and rubber that are used in production of IT products are mined or produced in areas with high modern slavery risks. Suppliers have therefore extended their expectations for responsible sourcing throughout their supply chains, especially to indirect suppliers further down in their supply chains. Based on the corrective action taken by the supplier AC3 has determined that no action is required by AC3 in respect of these suppliers.

AC3 is committed to a 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.

FY2022 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:

- Increased the number of suppliers reviewed as part of AC3's Modern Slavery due diligence
- Updated AC3's Modern Slavery Policy, Partner Code of Conduct and Modern Slavery Questionnaire as needed to reflect AC3's organisational and legal requirements
- Commenced strengthening our supplier selection process to ensure Modern Slavery due diligence is carried out during supplier evaluation
- Provided training to appropriate AC3 staff to assist with identification of additional modern slavery risks.

Assessing Action Effectiveness

AC3's Modern Slavery Committee assesses the effectiveness of AC'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 FY2022

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 with its risk assessment process and continue to expand the review of suppliers, and focus on overseas suppliers, irrespective of spend.
- 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:
 - (1) Gain an understanding of a supplier's compliance with the Act;
 - (2) Include an evaluation of the risk of modern slavery; and
 - (3) 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 identification of additional modern slavery risks.
- Continue to monitor, evaluate, develop and improve upon existing internal modern slavery compliance mechanisms, processes and procedures.
- Finalise procurement policies and mechanisms for onboarding suppliers and ICT product/service providers that also addresses modern slavery compliance.
- Continue to monitor developments in modern slavery legislation and best practices.

The Directors of AC3 in their capacity as principal governing body of AC3 approved this statement on 22 December 2022.

Simon Xistouris, in his role as the Chief Executive Officer of AC3, signed this statement on 22 December 2022.



Simon Xistouris
AC3 CEO
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