



KINETIC IT MODERN SLAVERY STATEMENT.

WE CARE ABOUT DOING THE RIGHT THING

Kinetic IT respects fundamental human rights and believe it is incumbent on Australian organisations to protect against the repression and mistreatment of vulnerable individuals and businesses through sustainable and responsible supply chain management. We are committed to identifying and addressing any risks, labour practices or behaviours associated with modern slavery and other unethical considerations within our supply chain. As such, Kinetic IT provides our employees, suppliers and stakeholders with clear direction about Kinetic IT's expectations of acting with integrity, fairness, transparency and accountability and using our position to enrich and serve the communities where we operate.

Kinetic IT's Modern Slavery Statement sets out the actions taken by Kinetic IT to address modern slavery risks in our business and supply chain for the financial year ending 30 June 2021. It is submitted by Kinetic IT Pty Ltd (ABN 97 072 941 943) as a single reporting entity in accordance with section 13 of the *Modern Slavery Act 2018* (Cth) ('the Act'). We do not own or control any other entities.



OUR OPERATIONS, STRUCTURE AND SUPPLY CHAIN

OUR OPERATIONS

Kinetic IT, a wholly privately-owned single entity proprietary limited company, is one of Australia's leading provider of enterprise-class ICT services and solutions in the Australian marketplace. For more than 25 years, Kinetic IT has partnered with some of our nation's largest and most important organisations, helping them deliver essential services relied upon by our communities. We work with private and public sector customers that seek high-quality, adaptive solutions and efficient service delivery within some of the largest and most complex local and global environments.

Kinetic IT's customers span a diverse range of industry sectors, including Federal, State and Local Government; Mining and Resources; Utilities; Transport; Education; and Defence. Our core service offerings encompass:

- Managed Enterprise Technologies;
- Cyber and Information Technologies,
- Business and Digital Transformation; and
- Advisory and Consulting.

Headquartered in Perth, Western Australia, Kinetic IT's operations span Australia with offices in Melbourne, Sydney, Canberra and Darwin. We employ over 1,400 talented individuals who operate nationally to deliver services and support to over 770,000 end-users across more than 2,600 customer locations.

OUR STRUCTURE

Kinetic IT's operating model, comprising our organisational, governance and accountability structures and systems, forms the blueprint of how we amplify our formula for success and deliver meaningful value to our customers. Lead by business architecture best practice and guiding principles, Kinetic IT's operating model is holistically designed to address the strategic and operational requirements at an enterprise, regional and account level. In its simplest form, Kinetic IT is organised to ensure the right roles are operating in the right locations, performing the right capabilities to drive the right outcomes.

The 'how' and 'why' of Kinetic IT's structure is underpinned by the central tenets of our Strategic Position. At the very core of everything we do are authentic and enduring relationships. Grounded in honesty, trust, integrity and mutual respect, we believe relationships are the critical enzyme that accelerates and guarantees the success of our customers, employees and company. It's through this conviction that we have designed our business in a way that serves the unique demands of the regions in which we operate; enriches local knowledge, experience and capability; and ensures proximity of leadership and support for our customers.

There are two key characteristics which define our organisational, governance and accountability structures and systems:

REGIONS AND SERVICE DELIVERY PORTFOLIOS

Clearly defining our operating regions and service delivery portfolios (that is, groups of customer accounts within regions) allows us to develop and sustain the right roles and capabilities to meet regional and account-based requirements and provide our customers with direct access to high quality dedicated local resources.

HIERARCHIES AND DECISION-FLOW

Kinetic IT maintains a relatively flat hierarchical structure to facilitate our adaptive and flexible nature, foster transparent and open communication, and ensure our employees are empowered with the right level of autonomy, accountability and responsibility to carry out their duties.

OUR SUPPLY CHAIN

Kinetic IT's supply chain comprises approximately 400 suppliers, with 94% of procurement spend consolidated within 45 key suppliers that are predominantly large national organisations, and which are engaged in long-term contracts and strategic partnerships. Our company prioritises supporting Australian industry and the local economy and procures over 97% of goods and services utilised by Kinetic IT through Australian suppliers.

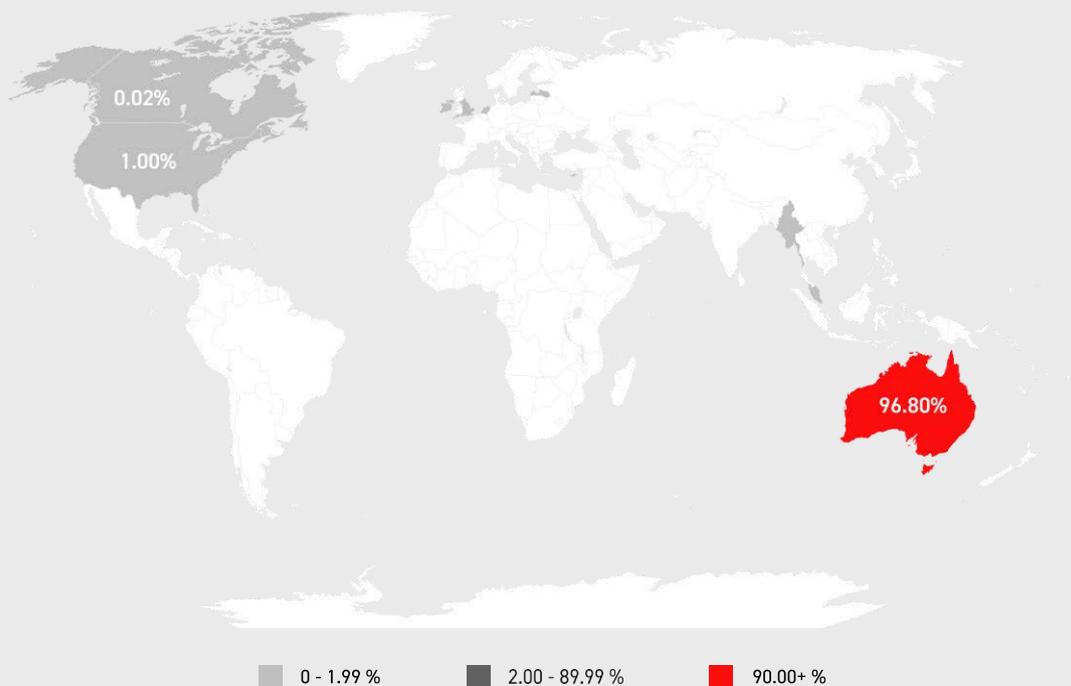


Figure 1 Supplier Spend by Country

Kinetic IT's main procurement categories are Professional Services, Property and Facilities Services, Technology Software and Telecommunications. Our company's purpose, values and policies guide the decisions we make and the actions we take as a company and as individuals. We adopt a series of due diligence activities across the procurement lifecycle to ensure we are engaging suppliers that uphold our corporate requirements, policies and values and do not pose a risk of modern slavery within our supply chain.

This includes providing our employees, suppliers and stakeholders with clear direction of Kinetic IT's expectations of fairness, transparency and accountability through the following policies:

POLICY	DETAILS
Quality	Beyond our reputation for providing high quality, customer-centric IT services, Kinetic IT is recognised for our commitment to operating with integrity. Our commitment to quality and Integrity is outlined in our Quality Policy and in the certification of our Quality Management Systems to ISO 9001.
Whistleblower	We are committed to fostering a culture where our employees and other eligible disclosers feel safe and are empowered to raise concerns about any misconduct or an improper state of affairs (including unethical, illegal, corrupt, dishonest conduct or conduct that breaches Kinetic IT's policies) without being subject to detrimental treatment.
Equality, Diversity & Inclusion	Kinetic IT is committed to enabling an organisational culture and workplace that fosters equality, diversity and inclusion across all levels of our business. We aim to provide a workplace where every individual has equal opportunity to contribute and is valued for that contribution. We strive for an environment that embraces diversity; where everyone has a voice and feels safe, respected and treated with dignity. Our commitment to this is outlined in this policy and our annual reporting to the Workplace Gender Equality Agency (WGEA).
Workplace Discrimination, Bullying & Harassment	Kinetic IT is committed to fostering a workplace free from workplace discrimination, bullying, harassment, sex-based harassment and victimisation. Every member of our organisation has a right to feel safe and respected, and in turn the responsibility to prevent workplace discrimination, bullying, harassment, sex-based harassment and victimisation.
Environmental Sustainability	Our environmental sustainability policy outlines our commitment to protect and support our natural environment. We're driven by a passion to make a positive difference to our customers, employees and communities by bringing out the best in people and technology. As such, we understand our moral and ethical responsibility to protect and enhance the environmental sustainability of the communities in which we operate.
Health and Safety	Our Health and Safety policy, together with our certified and compliant systems and practices set the minimum standard for Kinetic IT and are complemented by our employees embracing our customers' standards as our own. Kinetic IT believes that the wellbeing of our staff, contractors and visitors lies at the heart of our company's success. Whether working on a customer or corporate site, we are committed to fostering a culture which acts proactively, to ensure everyone goes home safe and healthy every day.
Security	We are committed to employing contemporary security practices which address and overcome the challenges of evolving technology and physical landscapes. We will continue to foster a security aware culture, ensuring our staff possess the essential competencies to maintain a secure business environment. Our commitment to security is outlined in our Security Policy and in the certification of our Information Security Management Systems to ISO 27001:2013.
Code of Professional Ethics Agreement	Our code of professional ethics represents Kinetic IT's expectations in terms of professional ethics. We have responsibilities toward our clients and colleagues, suppliers and competitors, our profession as well as the public.

IDENTIFYING AND ADDRESSING POTENTIAL MODERN SLAVERY RISKS

In accordance with section 16(1)(c) of the Act, Kinetic IT has assessed the risk of modern slavery in our operations and supply chain and considers the risk within Kinetic IT's direct operations to be low. Specifically:

- Approximately 89% of Kinetic IT's direct costs are labour costs;
- Most of Kinetic IT's employees are highly skilled professionals that are either citizens or permanent residents based in Australia;
- Approximately 76% of Kinetic IT's employees are protected by Australia's modern award system;
- Kinetic IT rarely employs short-term labour hire arrangements; and
- We maintain robust policies including our code of Professional Ethics and Whistleblower Protection Policy.

Kinetic IT recognises the possibility of modern slavery existing within our supply chain and following on from our previous assessment last year (encompassing 80% of our procurement activities) has now completed a Supply Chain Risk Assessment (SCRA) of all remaining direct suppliers, including a rationalisation activity which resulted in the removal of over 100 suppliers no longer required. Broadly the SCRA considered the following risk categories:

- Geographic Risk
- Sector and Industry Risk
- Product and Services Risk

The SCRA considered a range of sources of information including the Global Slavery Index and the International Labour Organisation. A summary of our SCRA is set out in the table below:

RISK CATEGORY	DESCRIPTION	SUMMARY
Geographic	<p>Modern slavery risk may be a consequence of the geographic area where products are manufactured or where services are delivered. Indicia of potential geographic high risk include areas that:</p> <ul style="list-style-type: none"> • Are prone to corruption; • Are prone to conflict; and • Have weak laws. 	<p>Kinetic IT's SCRA Geographic Risk was assessed as 'Low' as the company does not procure any goods or services from countries identified as high risk in the Global Slavery Index. Just four suppliers were assessed as being in a medium risk country.</p>
Sector & Industry	<p>The characteristics, products and processes of certain sectors and industries may elevate the risk of modern slavery. Indications of potential sector and industry risk include:</p> <ul style="list-style-type: none"> • Industries and sectors that are informal and/or poorly regulated; • Industries and sectors with high instance of seasonal and/or low paid workers; • Industries and sectors with a high instance of dangerous or hazardous work. 	<p>Kinetic IT's SCRA Sector & Industry Risk was assessed as 'Low' due to the majority of Kinetic IT's suppliers operating in low risk industries and sectors.</p>

RISK CATEGORY	DESCRIPTION	SUMMARY
Product and Services Risk	Some products and services are associated with a higher prospect of modern slavery due to the manner in which they are produced, transported or distributed. Similarly, services such as cleaning that involve low wages and manual labour may have a higher modern slavery risk.	<p>Kinetic IT 's SCRA Product & Services Risk was assessed as 'Low' however it identified there is a degree of heightened risk in certain products and services procured by Kinetic IT, such as:</p> <ul style="list-style-type: none"> • Kinetic IT procures electronic products including laptops, computers, and mobile phones. These items have a higher inherent risk of forced and/or child labour practices; may be manufactured from resources extracted in countries where forced labour and human trafficking is common; and where local law may not exist to protect vulnerable populations. • Kinetic IT engages lease and accommodation providers where cleaning services are included. These services can have a high level of migrant and low skilled workers who may be vulnerable and exploited, receiving wages below the thresholds set under the Modern Awards.

The SCRA has now identified a total of 33 suppliers in the 'Potential' risk category, Kinetic IT engaged the newly identified suppliers, requesting they complete a due diligence questionnaire and provide documentation regarding their processes and commitments to comply with modern slavery laws and regulations.

All responses received to date have been assessed based on the returned questionnaire and information provided as demonstrating compliance with modern slavery laws and regulations, with no Modern Slavery risks were identified.

Kinetic IT ensures that all new suppliers are assessed for modern slavery risk prior to engaging and where a supplier is identified as having a potential risk for modern slavery, Kinetic IT engages with the supplier to better understand the level of risk within their supply chain, and to agree a corrective action plan that addresses the identified risks with ongoing monitoring through to completion.

We require all Kinetic IT suppliers to implement processes that align with the Act. Specifically, we instruct our suppliers to identify and address risks of modern slavery within their organisation and that of their suppliers, and where modern slavery is identified, request actions are taken to address the risk. Kinetic IT's suppliers are then requested to notify us if they become aware of any potential or actual activity within their business that may contravene the Act.

Furthermore, Kinetic IT includes specific language in our supplier contracts to ensure suppliers comply with all applicable laws, regulations or standards including those in relation to conditions of employment, subcontracting and workplace health and safety.

MEASURING EFFECTIVENESS AND AREAS OF FOCUS FOR 2021/2022

Measuring the effectiveness of Kinetic IT's modern slavery assessment and risk management practices is a complex and on-going focus for our company. To ensure we optimise our effectiveness and improve our practices, Kinetic IT will:

- Perform annual reviews of 'At Risk' suppliers and, where a prior potential modern slavery risk has been identified, engage with the supplier to confirm their current compliancy status, and agree a corrective action plan that addresses non-compliances or identified risks with ongoing monitoring through to completion;
- Re-assess existing suppliers where procurement requirements or the risk profile has changed;
- Continue education and training across our commercial operations and senior leadership to recognise and understand the risks, indicators and associated implications of modern slavery;
- Develop clear short and medium-term priorities as we work towards best practice.

This statement was approved by the Board of Kinetic IT Pty Ltd and is available on kineticit.com.au.



MICHAEL NORTH

CHIEF EXECUTIVE OFFICER