

ASG

AN NRI COMPANY

MODERN DAY SLAVERY STATEMENT



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MODERN DAY SLAVERY STATEMENT



This statement sets out ASG's commitment to tackling and eradicating modern day slavery from our supply chains and ensuring our policies and procedures protect the rights of all employees and those companies to whom we provide services to.

This statement is for ASG Group Limited (ACN 070 045 117) **(ASG)** covering the financial year ending 30 June 2021.

1. OUR BUSINESS, STRUCTURE AND SUPPLY CHAIN



BACKGROUND

Born and bred in Australia, for over two decades, ASG has been providing businesses with innovative, high quality, and cost-effective services.

Complementing strong organic growth, ASG has made several strategic acquisitions and has developed a reputation as a leading provider of consulting, professional and managed services. In 2003, ASG entered the next phase of growth, listing on the Australian Stock Exchange.

In September 2016, ASG was acquired by Nomura Research Institute, a Japanese-based consulting and IT solutions group listed on the Tokyo Stock Exchange.

With over 11,000 staff across the world, NRI's financial firepower, broad consulting capabilities and global footprint strengthens ASG's client proposition. For more information on NRI, visit the NRI website and view their corporate video.

OUR BUSINESS

Today, we offer our customers a genuine alternative in the IT Services landscape through our ability to provide a complete Digital Transformation service.

From Business Strategy and Advisory, through to Infrastructure and Managed Services, it's what we do and how we do it that makes us different.

How do we do this? We work with the industry experts to gain the broadest possible market and industry view. We then take a design-led approach to strategy in line with the business's goals. We build and implement using the latest technology and products, and we ensure relevance by providing ongoing management and optimisation. Please refer to our website for more information regarding our capabilities and what we do.

ORGANISATION STRUCTURE

ASG is an Australian Public Company. ASG's board of directors are made up of highly skilled and experienced leaders who act within the best interests of our organisation to ensure long term growth and sustainability. Our leadership team comprises of talented industry experts who strategically guide our business within the best interests of our clients and employees. More information on our board of directors and our leadership team can be found on our website.

At ASG, we operate in a matrix structure, which means people work with multiple stakeholders across our business. Our Regional, National, and Corporate functions all work together to deliver responsive, tailored, and innovative solutions to our customers.



ASG operates in 9 locations across Australia as well as in Manila, in the Philippines.

ASG is headquartered in Perth, Australia and has other Australian offices located in Sydney, Melbourne, Brisbane, Canberra, and Adelaide.

As at 30 June 2021, ASG had approximately 1,228 employees. The majority of the workforce consists of highly trained and skilled IT Consultants, Technicians, Service Delivery, and Sales.

ASG owns and/or controls the following entities which it has acquired over recent years:

1. SMS Consulting Group Ltd;
2. SMS Management & Technology Limited;
3. SMS Management & Technology;
4. SMS Employees Pty Ltd;
5. Capiotech Pty Ltd;
6. 1 ICT Pty Ltd; and
7. Group 10 Consulting Pty Ltd.

(Collectively the **Controlled Entities**)

ASG consulted the relevant companies above whom we own or control in the development of this statement.

OUR SUPPLY CHAIN

The procurement process provides detailed governance and templates which are used to ensure the desired procurement outcome is achieved when servicing both internal and external purchasing requests. It also provides details relating to the purchasing of new infrastructure hardware, software, and licenses – the renewal of hardware and software support licenses and user application licenses – the handover/transition of hardware, software, and licenses that relate to ongoing project support commitments. These processes are also ideally positioned for compliance, induction, and education within ASG.

Procurement for ASG is managed nationally through the Business Management Office (BMO) where all procurement requests for ASG and all client accounts are sent. ASG engages with suppliers through our procurement team for all services or products from ASG's existing partners.

Some of the BMO deliverables that may be relevant to purchasing are Commercial Contract Management, Purchasing Strategy, Bid Registration, Vendor Grading, Product Selection, Supplier/Vendor, Certification or Accreditation, or Competency Development.

Our existing partners could be long-standing suppliers whose products and services were used as solutions with our clients or whose products and services we utilise internally within ASG.

Our operations expand across the areas of provision and delivery of Products, research and development, and direct employment of employees.

In the 2021 financial year, ASG engaged directly with around 400 suppliers from six countries, including Denmark, the United Kingdom, Philippines, Singapore, and the United States of America. The supply chain of products and services that contribute to our operations include assembling products from overseas factories and importation of certain products.

Some of our existing suppliers do have clauses in their contracts which address some aspects of modern-day slavery requirements. The percentage of this is unknown without conducting due diligence with our existing suppliers. An assessment will be carried out to determine which suppliers are compliant and those who are non-compliant, we will work with them to ensure they meet the standards needed. When new suppliers are on-boarded the newly on-boarded supplier is provided with the ASG Supplier Code of Conduct, the Code of Conduct relates to a number of Government standards/statements, we ask that the Supplier review the Code of Conduct, by signing, the Supplier acknowledges they understand and adhere to Australian Government requirements Modern Slavery, Bribery & Corruption, etc. The signed Code of Conduct is then attached within our Supplier/Vendor Database and noted as received.

2. RISK OF MODERN SLAVERY PRACTICES IN ASG'S OPERATIONS AND SUPPLY CHAINS

As ASG is a services-based business, we do not manufacture any products, however occasionally ASG does directly procure products for its clients including IT hardware (such as laptops and monitors etc.), however these products are sourced through the supplier's Australian operations.

ASG's IT hardware is procured from Tier 1 industry providers. This significantly lessens the risk of purchasing from countries where slavery may be taking place as worldwide Tier 1 suppliers MUST adhere to modern slavery laws.



As discussed above, ASG's supply chain is made up of approximately 100 contracted suppliers across three countries. Our supply chain includes suppliers of the following goods and services: IT equipment, hardware, software, cleaning contractors for offices, and office supplies etc.

As discussed, ASG also has an office located in Manila in the Philippines. The Philippines is identified as a higher-risk country under the OECD Guidelines for Multinational Enterprises and the Modern Slavery Index published by the Walk Free Foundation. In managing our Manila office, ASG seeks to comply with all laws and regulations of the Philippines.

ASG has supplier relationships with companies in the United States, Denmark, UK, Hong Kong, Philippines, and Singapore. ASG's suppliers are larger organisations, and for this reason, ASG considers that the risks of modern slavery are likely beyond the first tier of ASG's supply chains, where ASG's suppliers may outsource some tasks and work, including for example, manufacturing and development of the products/services may be outsourced by ASG's suppliers to high-risk countries overseas, which may increase the risk of exploited labour. That said, ASG procures products from Tier 1 industry providers and it is not likely that these Tier 1 providers outsource manufacturing to countries where there is a risk of exploited labour.

3. ACTIONS ASG TAKES TO ASSESS AND ADDRESS THESE RISKS



We are committed to a process of upholding practices against modern slavery or human trafficking in our supply chains or in any part of our business. We commit to acting ethically and with integrity in all our business relationships. Our commitment is also supported by policies and procedures which ensures responsibility and accountability for improving business practices and eliminating modern slavery in supply chains at all levels of our business.

OUR CODE OF CONDUCT AND POLICY FRAMEWORK

The board has the responsibility for establishing policies and ensuring that these are implemented. The board delegates this responsibility to the leadership and management teams within ASG.

With regards to modern day slavery and our employees, we will need to determine what the best approach will be to create awareness of the signs of modern day slavery for our employees.

ASG's Code of Conduct and Policy Framework set the behavioural standards for ASG employees, board members, contractors, and consultants. The Code of Conduct and policy framework helps set a consistent global approach for all ASG employees. At ASG, our values underpin our everyday actions, and we use them as a guiding principle in our conduct and working relationships.

ASG's values are initiative, accountability, and grit. Policies and Procedures are reviewed every year to ensure they align and comply with all the relevant regulatory requirements.

At ASG, we have several policies and procedures which support a zero-tolerance approach to modern day slavery in our business, including primarily ASG's Code of Conduct which sets out our expectations of all employees of ASG and expectations in respect of dealings with clients, suppliers, and contractors. All employees are expected to act in a manner consistent with the principles of:



- (a) integrity and fairness;
- (b) acting honestly, co-operatively, and being trustworthy;
- (c) taking responsibility for our own actions and being accountable for the consequences;
- (d) respect for others; and
- (e) compliance with the law and regulatory bodies guidelines.

We see ourselves as being modern day advocates in our Industry and understand the role we play in setting an example. While the globalisation of supply chains and opportunities created in the workforce for women have increased, women remain at risk of human rights abuses. At ASG, we were proud to release a domestic violence policy in support of women in our organisation.

We strongly encourage and support diversity across all levels of our business to improve business performance, encourage innovation, attract and retain the best talent, and provide excellent customer outcomes. Our Diversity Policy sets out our fundamental principles and diversity initiatives across the organisation.

We have a recruitment policy to ensure all recruitment decisions are in line with our values and are consistently and fairly applied.

All staff members are responsible for being aware of the policies whether they are ethical, legal, or policy and need to ensure they apply it to their jobs. Our Managers and Executives are responsible for creating and promoting environments in which we comply and ensure ethical business is conducted. All of our policies and procedures can be found internally on our intranet via the Business Management System and are communicated to all employees.

ASG expects its suppliers to maintain the highest standards of business ethics and become familiar with and comply with all laws that are relevant to the supplier relationship, including the laws that govern ASG.

ASG has Supplier Code of Conduct, which identifies that suppliers have responsibilities to ensure various standards are met by the supplier, including in respect of modern slavery, human rights and labour practices, diversity and inclusivity, and work health and safety matters to ensure that suppliers prevent and detect any unlawful conduct.

The Supplier Code of Conduct also enables ASG to audit any of its suppliers to ensure the supplier is abiding by and appropriately managing each of the standards identified within the Supplier Code of Conduct, and to ensure the supplier is complying with all applicable laws and regulations.

Each new supplier of ASG will be required to acknowledge and sign the Supplier Code of Conduct to ensure they understand the expectations and obligations owed to ASG.



OUR POLICIES AND GOVERNANCE

We do our utmost to act with integrity, honesty, trust, respect, and fairness. If employees are aware of any violation of the law or company rules, including any modern slavery practices, we encourage employees to contact NRI's Global Whistleblowing hotline immediately. The hotline is managed by an independent firm and all reports made are anonymously, treated in the strictest of confidence, and investigated as required by an appointed third party. We are committed to ensuring that our employees can raise concerns without fear of retaliation or negative consequences.

ASG also has a Grievance Procedure in place, which enables employees to raise concerns about any concerns or issues, including in relation to modern slavery practices.

ASG is committed to transparency, corporate governance, and accountability. ASG has a Risk Committee who are responsible for the effective oversight of all key risk and compliance issues, the overall control environment and the review and recommendation to the board for approval of ASG Risk Management policies. NRI AU operates an internal audit team which ensures that the processes and appropriate internal controls are in place at ASG. We uphold our responsibility as being environmentally friendly as well. We view this as essential for the long-term performance and sustainability of our company.

We are currently certified to the latest version of the standard ISO14001:2015, which demonstrates our commitment to being environmentally responsible by preventing pollution, reducing waste and use of energy and resources. Where possible we reduce, re-use and recycle materials.

TRAINING



Training is an integral part of our compliance framework. It ensures that all employees are aware of their responsibilities. All new employees are required to complete an online induction course. During the onboarding and induction of new employees, aspects covered are of our values, code of conduct, key policies, health and safety, discrimination, bullying, and harassment. All employees and contractors are required to complete refresher training every two years.

With regards to modern day slavery and our employees, we will need to determine what the best approach will be to create awareness of the signs of modern-day slavery for our employees moving forward.

4. HOW ASG ASSESSES EFFECTIVENESS OF ACTIONS BEING TAKEN TO ASSESS AND ADDRESS THESE RISKS

ASG is committed to assessing the effectiveness of actions being taken to assess and address the risks of modern slavery within its operations.

At present, ASG has set up an annual review as part of its Audit & Compliance Committee agenda, which meets quarterly, in which ASG's responses to modern slavery risks and the actions taken by the business are reviewed and recommendations made on methods to improve the assessment of the effectiveness of actions being taken.

Further to this, as part of the Audit & Compliance Committee agenda, the Committee conducts regular reviews of risk assessment processes to ensure if and when new operations are commenced in countries or regions, that any new risks associated with modern slavery are identified and assessed as appropriate.

At a global level, ASG's parent company, Nomura Research Institute, has an internal team based in Tokyo which undertakes an assessment of various vendors through internal and external blacklists and approves relevant engagements of vendors as an additional measure to ensure the effectiveness of ongoing actions being taken by NRI Group, which includes ASG, to assess and address risks of modern slavery within its operations and supply chains.

ASG will need to determine moving forward what further actions and measures can be taken to ensure ASG is able to regularly assess the effectiveness of the actions being taken by the company to assess and address modern slavery risks.

5. CONSULTATION

ASG Group has consulted internally within ASG Group in respect of the preparation of this statement, including review by the Board of ASG Group prior to finalising.

ASG Group has consulted with each of the Controlled Entities in preparing this modern slavery statement through internal reviews and consultation with directors of each of the Controlled Entities and final engagement with each of these directors to finalise ASG's Group's modern slavery statement prior to approval by the Board of ASG Group.

This statement was approved by the Board of ASG Group on 17 December 2021.

Signed,



HIROYUKI KAWANAMI

Director, ASG Group

17 December 2021