

# Modern Slavery Statement

Period ending 31<sup>st</sup> Dec 2021

This statement is made pursuant to the *Australian Modern Slavery Act 2018 (Cth)* and sets out actions taken by Bluechip Infotech Pty Ltd A.C.N 076 483 808 (“Bluechip Infotech”) to address modern slavery and human trafficking risks in our business and supply chains for the financial year ending on December 31, 2021. This statement outlines relevant actions that need to be taken to minimise the risks of modern slavery in the company’s current and future operations.

Our first statement covered the period 1<sup>st</sup> July 2019 to 1<sup>st</sup> June 2020, however it should have been for the reporting period 1<sup>st</sup> Jan 2020 to 31<sup>st</sup> Dec 2020. This is our second statement and will cover the period from the end of the previous statement to 31<sup>st</sup> Dec 2021. Therefore, this report will cover the 18-month period from 1<sup>st</sup> July 2020 to 31<sup>st</sup> December 2021. During this reporting period, we have ensured compliance with modern slavery regulations through assessing risks within the company and reviewing policies to eliminate such risks in future operations.

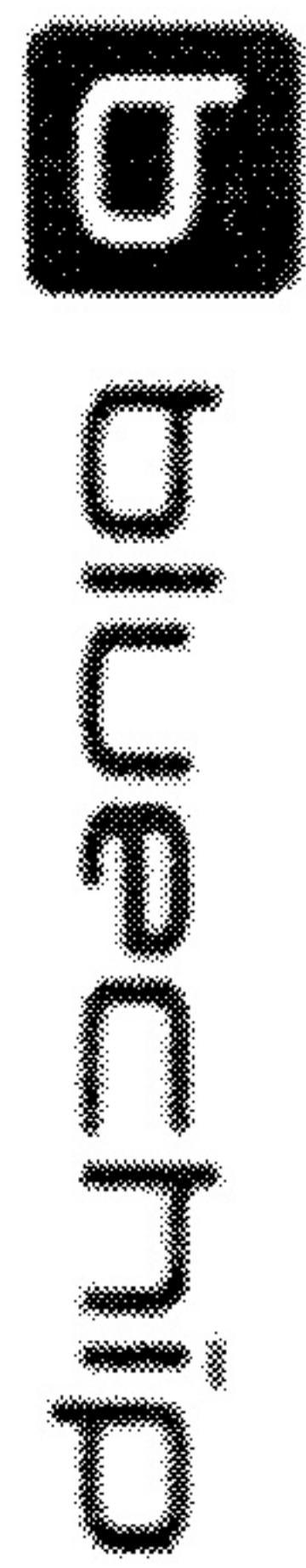
We are committed to conducting our business lawfully and ethically through the implementation of policies that align with modern slavery laws. We ensure that through our operational and business relations, our suppliers act lawfully in their operations under modern slavery regulations.

## Who We Are

Bluechip Infotech is a private company established in 2000. The company originated from operations in the distribution of PC components however, this has evolved over the years and Bluechip has recently extended its operations to computer systems, storage and networking.

The key to Bluechip Infotech’s success is in our strategic implementation of the latest technology, broad access to IT channels, and market-driven, highly motivated sales team. Thus, by guaranteeing a comprehensive understanding of products and target markets, we are able to provide cost-effective solutions to our partners.

Bluechip Infotech has a long and successful history dealing with SMB and Education through our channel partners. Our value is that we bring the Channel and Vendors together to provide solutions through cooperation. For consolidation and improvement, Bluechip Infotech is continuously evolving whilst maintaining hard work in the traditional distribution market. We are always looking to develop into new markets and partnerships with customers and vendors, locally and overseas to help growth and diversification.



## **Our Company Structure**

We have worked closely with our suppliers to deliver their products and services across our customer base. Together with the acquisitions during 2021 of Digital Networks Australia and Soft Solutions, we now have more than 130 full time staff across offices in Sydney, Melbourne, Brisbane, Perth, Adelaide and New Zealand enabling us to provide localised support.

Our company collaborates with over 80 major technology vendors. We have a product management team that demonstrates extensive vendor expertise and aids in providing support to our resellers in their success.

## **Our Supply Chain**

We continue to remain committed in reducing any risks associated with modern slavery or human trafficking in our supply chains. Software revenue now exceeds Hardware revenue for the first time. In regards to Hardware, the risk of modern slavery is likely to occur at a manufacturing stage.

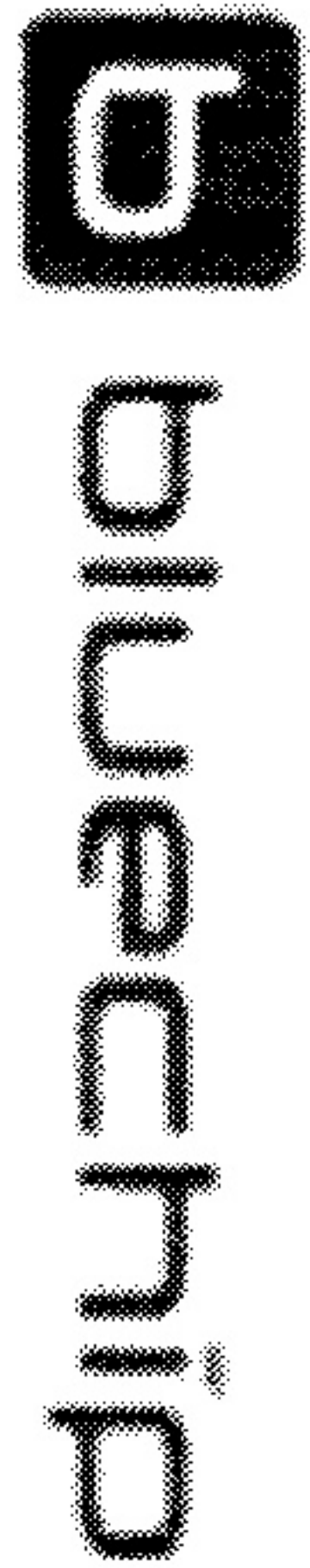
Our five main suppliers during 2021 are: Splunk, Sophos, HP, Eaton and Mange Engine. All of these companies have adopted Modern Slavery Statements.

We require all our manufacturing suppliers and vendors to abide by all applicable laws and regulations. In March 2021, we purchased 100% of shares in DNA. They have not been required to report under the Modern Slavery Act as their annual consolidated revenue did not pass the benchmark of AU\$100 million. Since this acquisition, a review was conducted on all of the suppliers and found that 80% (14 Suppliers) have completed Modern Slavery Statements. We have copies of these 14 statements in our records, however we were not successful in obtaining statements from 4 of our suppliers. Most of our suppliers have adopted a Modern Slavery Statement in either the UK or US. The remainder of our suppliers source their manufacturing components from the US, America or Taiwan.

In December 2021, we acquired 60% of the shares in New Zealand based distributor, Soft Solutions. There is some commonality amongst top Supplier's for Soft Solutions and Bluechip Infotech and as such adopted Modern Slavery Statements where already held. Since this is a new acquisition, Vendor Corporate Governance has not been completed for other non-common Suppliers as at the date of this report and is on-going.

## **Assessment of Risk**

We continue to look for key areas of modern slavery risk in our operations and supply chain. One of the identified risks occurs in the supply chain where materials are sourced from high-risk countries. Geographically, China and Malaysia are considered high risk countries where materials sourced from them suggest a greater negative



impact on human rights and ethics. One of our suppliers, HP Inc source their components from China which reflects a high-risk image, however they are considering these risks and applying relevant approaches to combat Modern Slavery in several jurisdictions.

In accordance with the Global Slavery Index 2018, products and services risks include those associated with the importation of electronic goods, particularly laptops and computers. The importation of electronic goods from China to Australia is recognised as high risk.

As a company, we have properly assessed HP Inc's operations and analysed potential risks of modern slavery. As we cannot audit HP's operations, we are satisfied with their current implemented checks and balances in their operations.

In the next reporting period, we will aim to implement a self-assessment questionnaire for our top suppliers where a Modern Slavery Statement has not been published or provided which will aid in determining the location of their main sources of manufacturing and in order to identify any risks.

### **Mitigation of Risk and Due Diligence**

We recognise that in accordance with ethical sourcing, foreign migrant workers are typically at risk of exploitative labour practices. We have thoroughly ensured that all of our employees have their working rights and visas verified prior to commencing work at our company. We continue to monitor these working rights and remuneration and ensure that they comply with Australian standards.

Through strong established supplier relationships, we have been able to observe how our suppliers mitigate risks in the supply chain through adopting modern slavery statements. These relationships have enabled effective communication between the parties and provided a structured approach to the mitigation of such risks.

Most of our suppliers operate with manufacturing in countries that are considered low risk for modern slavery as they source from countries including the US and Taiwan. Both the United States and Taiwan are considered low risk for the manufacture of electronics.

We will aim to implement a self-assessment questionnaire for our top suppliers where a Modern Slavery Statement has not been published or provided which will aid in determining the location of their main sources of manufacturing and in order to identify any risks.

## Reflection

Upon review of our company, we can proudly state that we do not participate in wrongful activities where human and working rights were violated. We have a zero-tolerance approach towards any abuse of these rights within our company. We adhere to the *Fair Work Act 2009* rights and Work, Health and Safety regulations.

In the current reporting period, we had intended on finalising an audit however upon investigation all of our major suppliers and many of the remaining Suppliers had adopted Modern Slavery Statements.

In the next reporting period, the aim is to maintain our operations through minimising those identified areas of risk in our supply chain. We also aim to continue to mitigate all risk and act with due diligence in an attempt to combat modern slavery.

## Board Approval and Adoption

This statement has been approved and adopted by the board of directors at a meeting dated 9<sup>th</sup> May 2022.

Signed



Director/ CEO

Date

28/06/2022