

MODERN SLAVERY STATEMENT

For the reporting period 1 July 2021 to 30 June 2022

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 Act and describes the steps that Tesseract has taken during its financial year 2022 (FY22) 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 25 wholly owned subsidiaries across New Zealand, Singapore, Malaysia and India – 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
Secure Logic Pte Ltd	Singapore
Secure Logic Ltd	Malaysia

Tesseract Limited is an Australian domiciled entity which is listed on the Australian Stock Exchange (ASX: TNT).



Tesseract's operations and supply chain

OPERATIONS

Tesseract is a full-service cybersecurity and cloud services provider. With over 400 cybersecurity professionals located in offices across Australia, New Zealand, Singapore and Malaysia. 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).

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 with the expertise of our security consultants 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

Cyber 360 covers the three main security domains of people, process, and technology.

- Step 1** is to identify and assess current levels of threat, risks, and protection.
- Step 2** is to take corrective action where gaps are identified.
- Step 3** is to monitor the system, respond to threats and incidents and to facilitate reporting to both boards and regulators.



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's Audit and Risk Committee. Under the governance of this committee, the company has established an internal Modern Slavery Working Group to:

- identify and assess modern slavery risks in Tesseract's supply chain, and
 - develop policies to better manage modern slavery risks within the supply chain, and
 - promote awareness of modern slavery to the broader business and help staff screen modern slavery risks.
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In this first reporting period, the working group commenced the design and formulation of the following new policies directed towards modern slavery risks in our supply chain:

Modern Slavery Policy

aims to confirm our commitment to human rights and mitigating risks of slavery and human trafficking in our operations and supply chain.

Supplier Code of Conduct

describes our minimum expectations of our suppliers in the areas of integrity, ethics and conduct, conflict of interest, health and safety and labour and human rights including the reduction of modern slavery practices.

We are in the process of drafting and refining both these policies for Board approval in FY23.

DUE DILIGENCE, SUPPLIER ASSESSMENTS AND SUPPLIER MANAGEMENT

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

Our 400+ 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 this reporting period, Tesseract has undertaken 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 initial 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. Further due diligence of this category of our supply chain is planned during the next reporting period.
External Professional Services <i>(Legal, Accounting, Taxation and Insurance.)</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 carries.

SUPPLIER ASSESSMENTS

Following the supplier mapping process undertaken in the current reporting period, Tesseract has commenced planning for the implementation of a supplier assessment and modern slavery risk screening process for all existing and new suppliers.

The aim of this assessment will be to better understand the extent of the potential risks relating to modern slavery practices throughout the Tesseract supply chain and how these can be better mitigated or eliminated. Once the risk level has been determined for an individual supplier, Tesseract is committed to undertake remedial actions as appropriate to manage our overall group modern slavery risk.



Over time Tesseract aims to include a modern slavery risk assessment as part of our standard vendor evaluation and selection processes (which may mean moving to new suppliers that have more mature approaches to managing modern slavery risks or working with existing suppliers to improve their policies and practices to reduce risk of slavery or human trafficking in their operations.)

This supplier assessment process is expected to commence over the next reporting period and will prioritise suppliers in the categories identified through the high-level mapping exercise with relatively high exposure to modern slavery risks.

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.

Assessing the effectiveness of our controls

Several of the actions set out in this Modern Slavery Statement were newly introduced during this first reporting period. These actions, together with the initial risk assessment and high-level supplier mapping we have undertaken, provide a baseline that can be used to assess the effectiveness of our actions in future periods as we continue to improve and mature our processes.

Tesseract is also developing a set of KPI's to measure our effectiveness and is well placed in the next reporting period to commence ongoing reporting against these KPI's.

Tesseract's existing Code of Conduct is aligned to the organisation's values. Irrespective of the role we play in a relationship, we are required to demonstrate our respect for the dignity



and worth of every person and maintain a work environment that seeks out and values the insight, experience, intelligence, contribution, and participation of all employees.

We have identified professional development programs for key staff relating to modern slavery and aim to benchmark our practices against industry best practice and keep abreast of new developments for minimising modern slavery risks in our supply chain and operations.

Next steps

Tesseract is committed to continuously improving the ethical standards within its business and in its supply chain. In FY23, we plan to:

- further educate our staff on modern slavery and how it could be prevalent in our supply chains, by incorporating modern slavery training into our broader employee training program which must be completed by all new staff as well as existing staff
- promote continuous dialogue and information sharing between Tesseract and our suppliers, by reviewing and improving the contractual provisions relating to modern slavery risks that were introduced into relevant contracts during the Reporting Period; and
- investigate new measures that could improve our supplier due diligence processes and assist with identification of modern slavery risks.

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 Audit and Risk Committee of Tesseract Limited on 20 May 2022.

The Audit and Risk Committee 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.

Kurt Hansen

Signed

Kurt Hansen
Director and Chief Executive Officer
Tesseract Limited





Securing our
digital future,
together.

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