


Delivering the Digital Future

Environmental Social and Governance Report

2023

A night sky filled with stars, with a landscape of tall grass and trees in the foreground. The sky is a deep blue, transitioning to a lighter blue near the horizon. The stars are scattered across the sky, with some brighter than others. The landscape in the foreground is illuminated by a warm, golden light, likely from a low sun, creating a silhouette effect on the trees and grass. The overall scene is serene and evocative of a natural, outdoor setting.

In the spirit of reconciliation, Data#3 respectfully acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea, and community. We pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

Contents

A message from our CEO & MD	1
United Nations Sustainable Development Goals	3
Environmental	6
Social	13
Governance	26

A message from our CEO & MD



Our vision is to harness the power of people and technology for a better future. We are committed to a sustainable environmental, social and governance (ESG) framework that makes a meaningful difference within our business, the wider community, and ultimately, makes the world a better place.

As we continue to grow our business financially, we believe we have an increased obligation to do what is right for the communities in which we operate. Every day, and every year, it is our aim to create positive change within the pillars of ESG, and we're delighted to share that we've made some further progress in FY23.

We received the 2023 Enlightened Growth Leadership Award by the Frost & Sullivan Institute for the second year running. This is the only award that considers the synergy between financial growth, corporate social responsibility and ESG.

Additionally, this year, our Reconciliation Action Plan (RAP) working group was firmly up and running and we presented our first milestone achievement – our Reflect RAP, which details Data#3's vision and direction for reconciliation. The working group is responsible for developing and implementing meaningful measures to advance reconciliation and reflects an ongoing commitment that will evolve and grow as we learn and progress on our reconciliation journey.

Addressing our environmental impact is among the most pressing priorities facing today's world, and we take this duty seriously. Working with external consultants and following a comprehensive analysis of our business operations, we will continue our work over recent years to reduce the impact of our operations. We are ambitious in pursuit of net zero emissions, striving for carbon neutrality by 2032.

Another priority has been overcoming the key barriers faced by women when entering and progressing their careers in the sector. Data#3 is proud of the steady progress made towards a more diverse workforce, with female representation across our workforce at 32% - above the industry average of 31%.

A further key priority has been to maintain or improve on our Ethics Score. Over the course of FY23, pleasingly, we improved our already high Ethics Score.

During FY23, we also continued to support several key local, national, and international charities, both financially and by promoting volunteering activities for our employees.

This year, we have commenced addressing the global imperatives outlined in the United Nations Sustainable Development Goals. Aligning our ESG strategy to these goals demonstrates our continued commitment to societal well-being, environmental stewardship, and the pursuit of inclusive economic growth.

We invite you to join us on our journey to drive positive change through ESG for a better tomorrow.

I look forward to sharing our continued learnings and progress in FY24 and beyond.



Laurence Baynham,
Chief Executive Officer & Managing Director,
Data#3

SUSTAINABLE
DEVELOPMENT GOALS

United Nations Sustainable Development Goals



United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) are a set of 17 global objectives aimed at addressing pressing social, economic, and environmental challenges by 2030. We are committed to closely aligning with these goals and have identified several key areas where we can make a meaningful impact. Our dedication to these goals not only benefits society but also strengthens our resilience and competitiveness in an increasingly sustainability-focused global marketplace.



Goal 3: Good Health & Wellbeing

UN SDG: Ensure healthy lives and promote well-being for all, at all ages.

Data#3 aims to help our people to maintain and enhance their health through offering a holistic wellness program that supports their physical, mental, financial and social wellbeing across all stages of life.



Goal 4: Quality Education

UN SDG: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Data#3 aims to deliver an inclusive and accessible learning program which supports the varying learning needs of our people and fosters a 'lifelong learning' culture across our organisation.



Goal 5: Gender Equality

UN SDG: Achieve gender equality and empower all women and girls.

Data#3 aims to advance gender equality in the IT industry through delivering programs and support, which helps Data#3 attract, develop and retain a skilled female workforce.



Goal 8: Decent Work and Economic Growth

UN SDG: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Data#3 aims to offer a variety of employment pathway programs, deliver an effective performance planning process and provide valuable development activities to reduce turnover and support sustainable employment opportunities across our workforce. Data#3 also aims to have a continued focus on strong governance to protect employment and promote safe and secure working environments, and to promote policy positions on Modern Slavery.



Goal 10: Reduced Inequalities

UN SDG: Reduce inequality within and among countries.

Data#3 aims to have a continued focus on compliance programs that support policy positions with respect to equal opportunity and inclusive core values.



Goal 12: Responsible Consumption and Production

UN SDG: Ensure sustainable consumption and production patterns.

Data#3 aims to adopt sustainable supply chain practices and integrate sustainability information into our reporting cycle by publishing sustainability reports.



Goal 13: Climate Action

UN SDG: Take urgent action to combat climate change and its impact.

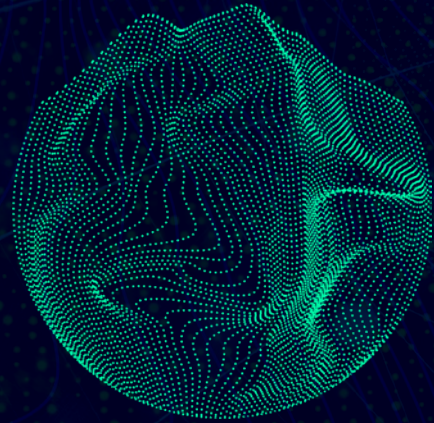
Data#3 aims to integrate climate change measures into our policies, strategies and planning by measuring our total greenhouse gas emissions per year, striving for carbon neutrality by 2032.



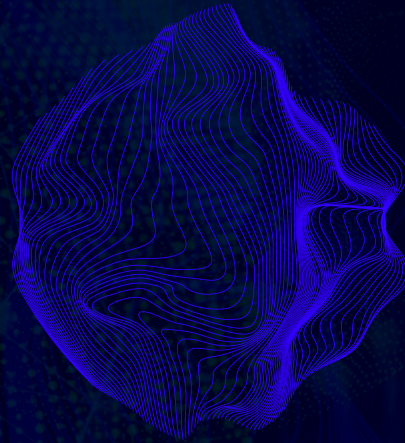
Goal 16: Peace, Justice and Strong Institutions

UN SDG: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

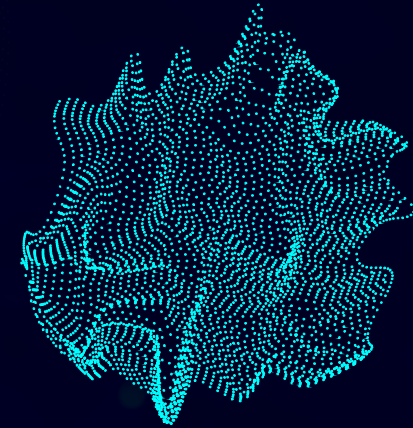
Data#3 aims to have a continued focus on building an effective, accountable and inclusive institution.



Environmental

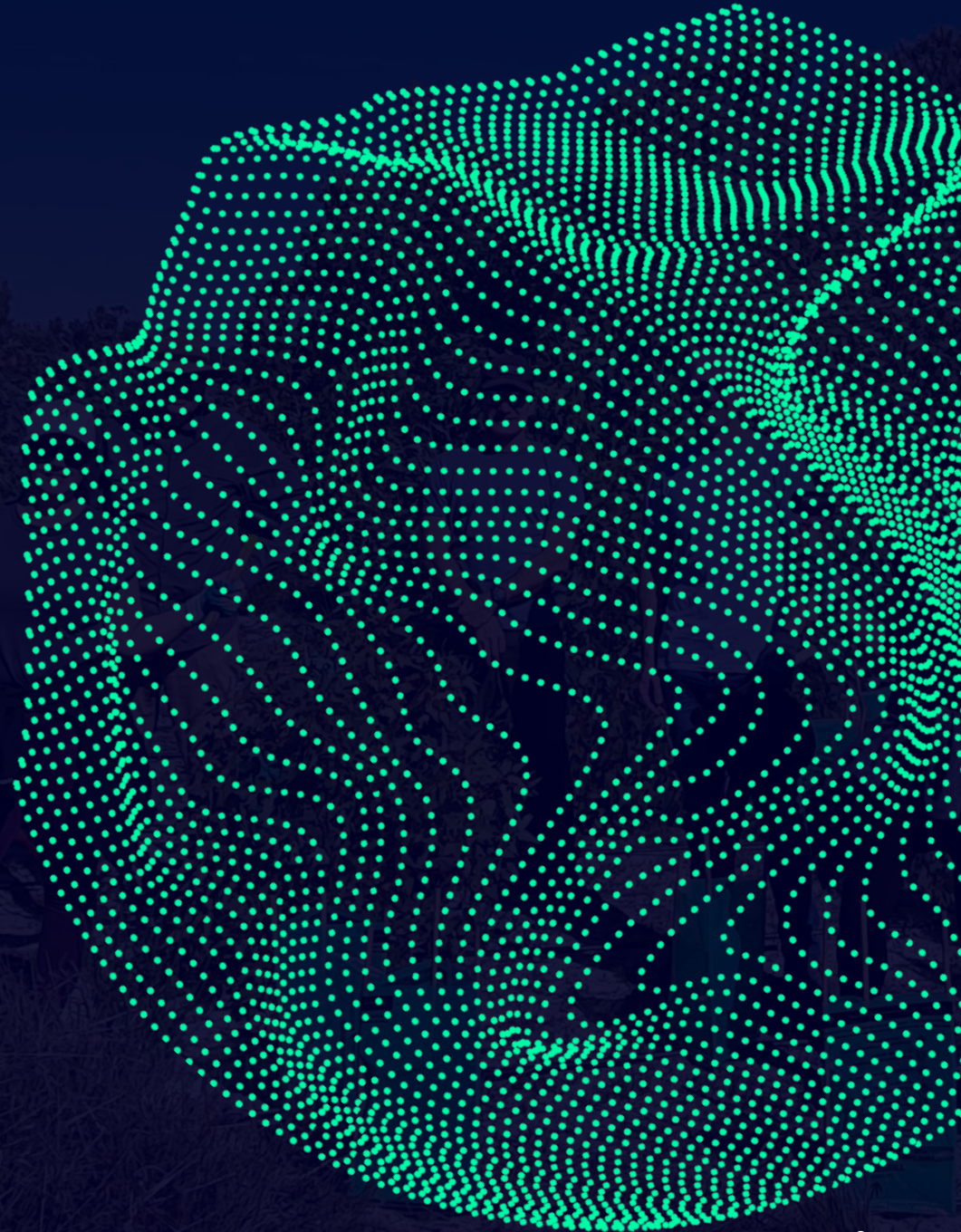


Social



Governance

Environmental





As the world grapples with the challenges of addressing climate change, Data#3 is committed to playing our part in addressing our environmental impact. We are strengthening and elevating our commitment to sustainable practices, something we prioritise at every level of our business.

“Urgent and transformative action is crucial, going beyond mere plans and promises.”

2023 United Nations Climate Change Conference

Greenhouse Gas Emissions Report

To achieve meaningful change, our action must be considered and sustainable, building towards measurable results that make a real difference. To ensure we have a true picture of our current impact, and that our actions match our sentiments, we have continued our engagement with a specialist external consultancy that helps us work towards our environmental goals. A comprehensive greenhouse gas (GHG) assessment report is underway for FY23. This is our third annual GHG report and will be released at the end of H1 FY24.

To create the initial report, Data#3 underwent a comprehensive assessment of GHG emissions attributed to our business activities in FY21. This was reviewed in our second report, based on FY22 activities, with further methods identified to manage and minimise emissions. We have continued to refine processes and redesign data capture methods to help us measure impact and identify the greatest opportunities to reduce emissions. Data#3 has collated, reviewed, and analysed our

Scope 1, 2 and 3 GHG emissions to understand our carbon footprint and establish a baseline to measure progress moving forward. This allowed us to identify our main emission sources – both direct emissions (Scope 1), indirect energy import (Scope 2), and all other indirect upstream and downstream emissions (Scope 3) resulting from activities along our value chain.



Total Emissions FY21 (tCO₂-e) – 5,276.7
Total Emissions FY22 (tCO₂-e) – 5,336.1

Our data collection is an ongoing process. The data presented in this report has not undergone an audit and may vary between different publications due to differences in release dates. The tapering off of the COVID-19 pandemic has led to a return to offices and increased travel, and this combined with an increase in Data#3’s IT services, resulted in an upward shift in total emissions. We have also identified a need for improved data collection practices. We are actively working towards identifying best practices for consolidating disparate data sources, with the goal of effecting meaningful change.

As a company, we are excited about the progress we’ve made in maturing our understanding of GHG emissions, and we are committed to taking meaningful steps towards a sustainable future. In FY24 and beyond, we are diligently working on a comprehensive strategy to address our emissions, demonstrating our dedication to making a positive impact.



Reducing the Impact of Our Operations

Data#3 continues its commitment to addressing climate change as part of our Corporate Governance principle to ‘Act ethically and responsibly’. We are building on our work over recent years to reduce the impact of our operations and are ambitious in the pursuit of net zero emissions. The impact of our actions extends not only throughout our own operations but across the entire supply chain. So, we’re taking bold steps to measure and manage our carbon emissions and demonstrate leadership in contributing to the low carbon economy.

Working towards carbon neutral by 2032, and beyond that to a long-term goal of net zero emissions, is a three-phase process that began with the gathering of information for the initial Data#3 report. We are continuing to refine the methods of data collection as we embark on phase two, in which we are progressing to identify further methods to minimise emissions, helping us to make better informed decisions about offsetting options as we progress to phase three.

How Will We Get There?

Our analysis identified that the most significant individual sources of emissions across Data#3 operations are electricity and ICT services. This analysis allows us to take a targeted approach by addressing our most emissions-intensive operational activities.

Data#3 is working with specialist consultants in the development of a net zero strategy, drawing on the assessment findings to identify where we can take the most effective action in addressing emissions impact. This will include working closely with third parties in our supply chain to understand the carbon impact of the products and services they offer, and the action they are taking to address this.

Data#3 has significantly reduced its reliance on in-house data centres, in the process removing ten racks from the Brisbane, Sydney, Adelaide and Perth offices. Workloads have been moved off-premises and to cloud services.

Each aspect of Data#3’s ESG Framework is now a consideration in our procurement process, and we prioritise engagement with stakeholders who share our values. This formalised process fast tracks our own efforts to decarbonise and elevates our contribution, while encouraging others we work with to reduce their own emissions. By working together, the effect is greater.

Recently, Data#3 completed the migration of all workloads from on-premises to cloud services.

Our Actions

Plans can only make a difference if they are accompanied by genuine action. Our Data#3 culture is one that supports and encourages efforts to make a difference, from individual and team initiatives through to the corporate and industry-level.

To help guide and expand on environmental initiatives, Data#3 appointed a committee that educates our workforce and promotes responsible practices throughout our supply chain. Data#3 continues its commitment to addressing climate change as part of our Corporate Governance principle to ‘Act ethically and responsibly’.

ICT Lifecycle Management

Data#3 teams help customers to get the most out of their IT Assets, with disposal services always included in our sales proposals. We partner with organisations such as ACT Logistics, who are committed to accelerating the transition to a circular economy and environmental outcomes of retired IT devices.

We also recycle and re-purpose in-house where possible. An example of this is our regular (twice per annum) shipment of ex-demo HP and Microsoft devices to disadvantaged and regional schools. These shipments contain around 15 devices ranging from Microsoft Hubs, Surface devices, HP laptops and printers and other IT components, which are put to excellent use in these much-needed areas.



Our Five Point SUSTAIN Program

Data#3's SUSTAIN environment program covers five key areas:

1. Reduce, Reuse, Recycle

In every location, we have assessed how we can best employ these simple methods to minimise our environmental impact. As a technology business, we are well equipped to minimise the use of paper and have helped many customers move towards paper-free work practices. E-waste is a particular environmental challenge, with toxic chemicals including mercury, arsenic, and lead leaching into the environment. Where possible, we repurpose ageing equipment, and we help our customers to do the same. In FY23, we repurposed decommissioned laptops to donate to charities and education facilities. Waste reduction is a key priority for all Data#3 locations in FY24. We were early adopters of e-waste programs and continue to explore new ways to increase our recycling programs in every aspect of our operations. We have chosen sustainable and recycled corporate Christmas gifts since 2021.

2. Conserve Energy

We have analysed the way each of our offices uses energy and acted on initial recommendations to reduce energy use, such as open plan areas to promote air flow and reduce air conditioning use. We've installed auto-detect lights to prevent unnecessary use. Using results of our emissions report, we are re-evaluating our electricity supply arrangements to assess cleaner alternatives. Energy reduction helps the planet and makes great business sense too.

3. Support Green Vendors

We increased collaboration with our suppliers and key technology vendors, aligning to their efforts to create a greater overall environmental advantage. Our procurement strategy reflects this shift. By opting to work with those employing the most effective environmental programs, we can in turn give our customers the confidence that their technology choices will minimise impact.

Data#3 is a Catalyst 3-Star Partner with HP and we have 30% of our staff certified under the HP Amplify Impact Program.

Our vendor partner's green goals



Cisco is working towards net zero by 2040 ¹



Microsoft is committed to carbon negative by 2030 ²



HP is committed to reaching net zero GHG emissions by 2040 ³

4. Think Green and Volunteer

Our SOUL community group incorporates an environmental focus. In FY23, a number of our people volunteered their time and rolled up their sleeves to engage in activities that contribute to a more sustainable future. Throughout the year our people supported a variety of environmental causes including:

- **Clean Up Australia**, whose mission is to inspire and empower communities to clean up, fix up and conserve our environment.
- **Sydney By Kayak**, who are responsible for maintaining clean and safe waterways in Sydney Harbour.
- **OzHarvest, FareShare and Foodbank**, who are food rescue organisations that work to stop surplus food from ending up in landfill, repurposing it to feed people in need.
- **Trillion Trees**, who plant and grow trees to help achieve a healthy and biodiverse environment.
- **Tree planting through Planet Ark** – Data#3 is committed to supporting our environment, and in FY23 we introduced a new initiative where we make a donation to have one tree planted for every new employee. This donation is made to Planet Ark's Seedling Bank, an initiative enabling schools and community groups to plant seedlings around Australia to help restore our country's unique landscape. Following the growth of our business in FY23, 250 trees were planted on behalf of Data#3.



5. Build a Green-Thinking Culture

Creating a green culture must be supported from the top, and our leaders at national and state level are involved in efforts to reduce emissions. We include environmental compliance in our training and induction processes, in addition to ongoing education and awareness campaigns.

These include events such as:

- Earth Hour, when we turned off the lights at Data#3 locations and home offices around the country,
- National Recycle Week, and
- World Environment Day.

These are favourites on the Data#3 calendar, with people from all parts of the business passionate about getting involved. We strongly encourage suggestions from any staff member, customer, or vendor about ways we can benefit the environment. This inclusion has helped fuel our green-thinking culture and equipped our people with information, tips, and opportunities for them to improve their personal environmental practices.

We've also taken action to educate our customers and community through external campaigns and communications – with thought leadership content raising awareness on best practice processes and vendor products that support a sustainable future. In FY23, we ran three large educational campaigns, in partnership with five of our key vendor partners, which presented eight blogs, an eBook and associated online content on the topic of sustainability and environment.



It is excellent to support Trillion Trees annually and attend their planting days. I get to restore ecosystems at Wandoo Woodland, protect native wildlife and empower climate action. It's great to work for a company that promotes volunteer days and encourages giving back to the community doing things we love!



Andrea Riveros,
Branch and Marketing Coordinator –
WA, Data#3

Data#3 staff from the Victorian office used their volunteer day to help tend the kitchen gardens for FareShare Australia, an organisation that rescues food and turns it into nutritious meals for people in need.

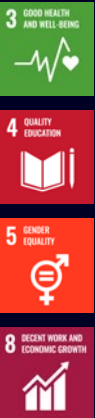


In FY23, our Perth team participated in the Trillion Trees event, planting around 2,000 trees while getting to know the local community and racking up 84 volunteering hours.





Social



Our People

While new technologies emerge at a faster rate than ever, one constant remains: it is the skill, dedication, and effort of our people. This is what makes Data#3 a trusted partner for more than 5,000 Australian organisations. They make connections, build relationships, solve business and technology challenges – ultimately, dreaming up the big ideas that keep us at the forefront of our industry.

Our core values reflect the role our people play at the heart of our business.

Data#3 Core Values

**Honesty
Excellence
Agility
Respect
Teamwork**

Job Creation

From our head office in Queensland through to the other 11 locations across the Australian and Pacific region, Data#3’s people perform a wide range of roles that support our customers and our business. Our permanent workforce grew by 15.4% in FY23, reaching more than 1,000 permanent employees for the first time. Please note, numbers do not include 359 People Solutions Contractors (June 2023).

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Staff Turnover

Our employee programs are designed to attract, develop and retain the best people, and to make Data#3 a great place to work. Our company's commitment to providing a supportive and engaging workplace environment has led to consistently lower staff turnover rates compared to industry averages. Even during FY22, a year marked by unique challenges for all, our turnover rate remained lower than the broader industry.

Turnover rates:
Industry Average: 17.4% ⁴
Data#3: 15.7%



4.45/5

for employee satisfaction in annual staff survey



5.2 years

average staff tenure



8 years

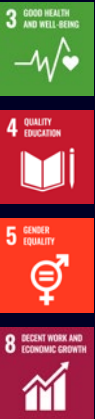
consecutively winning the HRD Employer of Choice award



I've been with Data#3 for nearly 26 years and the thing that makes Data#3 a great company is that they treat you as a person. When I was going through treatment, I can honestly say the support I received from HR as well as management and staff was unbelievable. It made my journey so much easier.

**Debbie McGrath,
Accounts Payable Administrator, Data#3**





Diversity and Inclusion

We work in a diverse community, and this is reflected in our workforce. We see the many unique perspectives, skills, and experiences of our people as a strength to be nurtured. We recognise that building a diverse workforce doesn't happen by chance; our diversity and inclusion program, Embrace, actively works to make Data#3 a welcoming place where everybody belongs. In FY23, our Embrace key priorities were supporting gender, carers and families, and cultural diversity.

Gender Diversity

While it is well known that the ICT industry has grappled with gender diversity, Data#3 is committed to change. That means actively addressing key barriers faced by women, both when entering the sector and when progressing their careers. Over the past five years, the number of women in the Data#3 workforce has grown, and our leadership team is now more gender balanced than ever.

29% of our managers are women, and in FY23 we were joined by our first female CFO, Cherie O'Riordan.

Women in ICT

Overall (Australian) Industry average: 31% women ⁵
Data#3: 32% women

Leadership Roles (Australia)

Overall (Australian) Industry average: 22% of Board members are women ⁶
Data#3: 33% of Data#3 Board members are women

What Data#3 is Doing:

- Targeted development and networking events.
- Multi-year platinum sponsorship of Women in Technology WA (WITWA).
- Membership with Women in Technology (WIT), Women in Digital (WID) and Australian Information Industry Association (AIIA).
- 28 Data#3 women completed the Women Rising leadership program in FY23.
- 3 Data#3 women enrolled in a Diploma of Computer and Data Analytics through a Data#3 partnership with Griffith University.
- 5 Data#3 staff were nominated as finalists in ARN's WIICTA Awards, with one winning the 2023 ARN Achievement Award.



I've worked in the ICT industry for over 30 years, and it was my passion for people that steered me into HR, and also led me to Data#3. I am fortunate to have a leadership role in an organisation that embraces our people, understands how diverse we all are by nature and that we each have unique perspectives, skills, and experiences, that should be nurtured.



Tash Macknish,
Group Manager OD & HR,
and Achievement Award Winner
at ARN 2023 WIICTA awards



Cultural Diversity

At Data#3, we see our cultural diversity as a strength that helps us to understand and connect with the world around us. Our people come from a wide range of backgrounds – approximately 28% of Data#3's workforce speaks English as a second language. We believe it is important for our people to recognise the influential role that culture has on our lives, and in FY23 we celebrated Harmony Week, a celebration that recognises our diversity and brings together Australians from all different backgrounds. We were also very proud that, after 12 months of development, we were formally endorsed by Reconciliation Australia to launch our first Reconciliation Action Plan (RAP).

Approximately 28% of Data#3's workforce speaks English as a second language.

Reconciliation Action Plan

As the largest Australian IT services and solutions company, we have an increasing responsibility to contribute to the communities in which we live. In 2022, Data#3 formed a Reconciliation Action Plan (RAP) Working Group of employees who are passionate about reconciliation and committed to developing, implementing and reporting on Data#3's RAP.

Our first milestone achievement in FY23, was the creation of our Reflect RAP, detailing our vision and direction for reconciliation. This is the first stage of the RAP framework, where we commit to playing a role in reconciliation with Australia's First Nations peoples. We see it not as a single act but as the start of an important journey.

We were also pleased to commission an original artwork, which is proudly displayed in our Brisbane Head Office and featured in our Reflect RAP. This artwork symbolises the community within the company and the existence of the modern world with its technologies that juxtapose the ancient culture and land within which they operate: the two worlds that coexist at Data#3. It's a piece that celebrates First Nation people and culture, and recognises that this always was and always will be, Aboriginal Land.

Our RAP Plan Centres Around Four Key Areas:

Relationships: we will promote mutually beneficial relationships with Aboriginal and Torres Strait Islander stakeholders and organisations, while using our sphere of influence to promote racial equality.

Respect: we will increase understanding and recognition of Aboriginal and Torres Strait Islander culture and history and demonstrate respect by observing cultural protocols.

Opportunity: we will work to improve employment opportunities and increase Aboriginal and Torres Strait Islander supplier diversity to support improved economic outcomes.

Governance: we will work to improve employment opportunities and increase Aboriginal and Torres Strait Islander supplier diversity to support improved economic outcomes.

[Download our Reconciliation Action Plan](#)





Our RAP Artwork

This artwork symbolises the community within the company and the existence of the modern world with its technologies that juxtapose the ancient culture and Land with which they operate on. The two worlds that coexist at Data#3.

It's a piece that celebrates First Nation people and culture and that recognises that this always was and always will be, Aboriginal Land.

Meet the Artist

Mulganai Emma Hollingsworth is a Kaanju, Kuku Ya'u, Giramay woman who grew up in tropical Far North Queensland and now works from her home studio in Meanjin. Her work is a reflection of her heritage and her culture, and she uses vibrant colours and designs to pay homage to her youthfulness blending with her ancient culture. Her work tells her own story of a young Indigenous woman growing up and paving a path in a modern world, and all of the trials and tribulations that go in hand with that.



Emma Hollingsworth
Artist, Mulganai

mulganai.com



Carer and Family Diversity

We prioritise building a culture where our people feel supported and included, and we recognise that our people's lives involve challenges beyond the workplace. In FY23, our people could choose where, when and how they worked, offering them greater flexibility and powering us to outstanding performance through the year. To help our workforce to establish and maintain a balance between their careers and caring and family responsibilities, Data#3 was, once again, accredited as a Family Friendly Workplace. This involved formalising a range of policies, practices and processes that foster a family-friendly workplace culture.

We believe that supporting our people through life's challenges reduces stress and enables everyone to give their best in all spheres of their lives, making it a win-win situation. In FY23, we launched our Family Carer and Wellbeing Hub, a centralised resource for a comprehensive array of support offerings. Along with tailored support, our workforce enjoys a range of flexible workplace arrangements and salary sacrifice options.

Health and Wellbeing

In FY23, Data#3 continued to build on our holistic employee wellbeing program, with a range of benefits aimed at making it easier for everyone to take care of themselves. Our fully equipped end-of-trip facilities, ergonomic equipment, and access to financial programs and support services all proved popular.

Our enhanced Employee Assistance Program (EAP), with free access for all permanent employees, connects our workforce with

specialist support and counselling covering a range of situations including mental health needs and LGBTQIA+ specific issues. We never want our team to feel they have to face life's challenges alone.

Wellbeing Actions in FY23 Included:

- Serviced over 400 in-person health and wellbeing checks, including skin checks and flu vaccines.
- Events included Stress Down Day to proactively manage stress and Ice Cream Day to build connections.
- One additional day of paid wellbeing leave for every employee.
- 'The Big Heart Challenge' – a 6-week online team fitness quest: 35 teams and over 200 staff took part.

Education

Whether technical skills and accreditations or leadership development, our workforce loves to learn. In fact, more than 75% of our business engaged in our third annual all-company learning month in February 2023. As a business, we benefit from a workforce that boasts some of the best skills in the business, while our people enjoy the opportunity to advance their careers.

We don't simply offer learning around technology and business, we also facilitate gaining skills in areas such as mental health first aid accreditation, and we promoted safe workplace habits through our Health and Safety Month activities.

More than 75% of our business engaged in our third annual all-company learning month in February 2023.

Staff Development

Data#3 is passionate about the development of our people, from early career to the most senior roles. When our staff thrive, we thrive. In FY23, we hired a dedicated resource to coordinate and support delivery of staff development programs and participate in external activities that contribute to our talent pipeline.

These were our staff development programs in FY23:

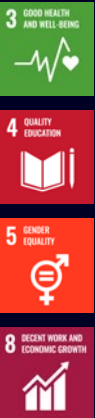
- Partnership with MEGT and Microsoft on two-year Microsoft Traineeship program: 11 trainees participated.
- 4B program to advocate for women in IT, partnering with Cisco on internships: 6 participants.
- First Nations Digital Careers Program led by Queensland Government: providing real-world experience and mentorship.
- Collaboration with TAFE Queensland: 2 lunchbox talks presented by Data#3 IT professionals.
- Girls in ICT Day: organised in partnership with ACS to encourage girls into roles in the IT industry.
- 180 individual career development sessions and psychometric debriefs delivered to staff.
- Lead with Heart program, specifically designed to equip our leaders with the skills they need to support, influence and inspire their teams: 80 managers participated.
- Women Rising, a women's leadership program for business success: 28 female managers participated, and 2 male managers participated in the Allies Program.



The 4B Internship Program was a uniquely invaluable experience, and I cannot speak highly enough of it. I had the pleasure of meeting many incredible people and being able to engage with other women in IT was a particularly enlightening, often energising, experience. I came away from the internship with a clearer view of my career path and aspirations, as well as some new friends and remarkable role models.

**Natalie Fletcher,
4B Trainee**





Our community

The Data#3 workforce is passionate about the role we play in the wider community. Supporting key local, national, and international charities, and promoting volunteering activities, has always been a part of our culture. This was formalised in 2015 by the creation of our SOUL program.

The SOUL program encourages developing links with community organisations and channels our efforts to create a real and lasting effect. Across our company, there are two key ways our people can give back to our communities – through fundraising and donations or engaging in volunteer activities.

Fundraising

In FY23 Data#3 supported these initiatives:

- **R U OK?Day** – supporting suicide prevention efforts.
- **The Footy Colours Day** – a Fight Cancer Foundation initiative for children with cancer.
- **Data#3's Christmas Gift or Giving Program** – supporting Youngcare to change lives of young people with high care disabilities.
- **Australia's Biggest Morning Tea** – a Cancer Council event to help those impacted by cancer.
- **Lifeline Push Up Challenge** – Lifeline mental health and suicide awareness campaign.

Workplace Giving

Data#3's Workplace Giving Program enables our people to donate a nominated percentage of their salary to one of six charities: Lifeline, The Starlight Children's Hospital, Leukemia Foundation, Save the Children, World Vision, and The Smith Family. In FY23, the program raised more than \$31,000.

As well as national fundraising activities and giving programs, we encouraged our people to support causes close to their hearts. Data#3 individuals and groups participated in challenging exercise events including the Simpson Desert Trek, the Bloody Long Walk, the Byron Coastal Charity Walk, Lifeline Australia's Ultra Trail Run, the South Maroubra Ocean Swim, and the Cancer Council's Ride for a Reason Challenge.

By participating in the Australian Red Cross Blood Service LifeBlood program, donations by our people saved almost 300 lives in FY23!

Volunteering

Sometimes, the most valuable thing we can give is our time. To make it easier, Data#3 offers all staff one paid day per year to volunteer for the organisation of their choice. For many, this is just a starting point, and we are proud that our people give their time to a diverse range of organisations, from charities and community groups to sports and environmental initiatives.

Volunteering brings our people together, and this year we shared the experience with our vendor partners. All branches partnered with a vendor partner on a volunteering activity, so we could double the community impact while getting to see a new side of our colleagues in the IT community. In FY23, we supported charities and causes including:



Hours volunteered:
FY22: 575 | FY23: 957



“

The Data#3 SOUL program is pivotal to our company culture, allowing all employees to contribute in meaningful ways through charity events and volunteering. For me, the Lifeline push-up challenge was important as I believe mental health is often overlooked and rarely discussed, and I wanted to be part of removing the stigma and supporting the cause. Through participating in the challenge this year, I completed 3,144 push ups and raised \$1,190 for a lifesaving cause.

Matthew King
Team Leader Operations Support, Data#3



Statement on Modern Slavery



Data#3 released a third Statement on Modern Slavery, reinforcing our commitment to acting responsibly in our decisions. In FY23, we continued to refine our programs to identify and mitigate the risk of modern slavery across our business and supply chain. We continued to implement due diligence programs to identify any likely risks of modern slavery practices across our operations and supply chain. Our programs are periodically reviewed, and staff receive training to equip them to identify risk.



Data#3 remains committed to progressing the maturity of our due diligence program and continuing the journey of mapping its supply chain beyond tier 1 providers. Our priorities for the next reporting period include increased engagement with suppliers to understand their supply chains, and continuing development of a due diligence plan beyond tier 1 to tier 2 providers.

Our full Statement on Modern Slavery is available online [here](#).

Customer and Product Safety

Data#3 typically sells globally leading products that are subject to appropriate vetting, not only for their suitability, but also for their safety to end users. Data#3 has an operational process that flags higher risk cyber safety issues that are raised and have expertise to engage with customers to assess these products from a cyber safety perspective. Where engaged to assist customers with improving their information security posture, we help them reduce their own risk profiles. By consistently acting in the best interests of our customers, we maintain their trust in us as a technology partner.

Data#3 staff from the Sydney office volunteering with Sydney by Kayak, an organisation aimed at educating people about the sustainability initiatives of the Lavender Bay area, whilst helping with rubbish collection from the waterway.





treasure boxes
GIVING GOODS TO KIDS IN NEED

Data*3 staff from the Adelaide office volunteering at Treasure Boxes, a South Australian children's not-for-profit who provide vital essentials to babies, children and teens living in disadvantage in our community.



Governance



Governance

Our choices and actions tell the world who we are. We strive to fulfil our obligations to our people, our customers, our partners and the community with integrity and professionalism. The Data#3 Board and senior management are committed to setting the highest standards for the company and leading an ethical culture that our workforce can feel proud of.

The Data#3 Board, consisting of five non-executive directors and a managing director, is responsible for approving Data#3's ESG framework and monitoring its effectiveness. Through the Audit and Risk Committee, consisting of three independent non-executive directors, the Board manages operational risk. This committee receives updates on ESG matters, and has unfettered access to the senior leadership team, the general counsel, and the external auditor.

The decisions of our Board and senior management have an impact on our people, our business, our customers, and our community. Every Data#3 Board member undergoes an induction program to ensure an understanding of the rights, responsibilities, and roles of the Board and senior executives. The program includes information about our performance, strategies, operations, and risk management processes. This is followed by ongoing director education, in the form of regular management presentations, external professional development, and customer and site visits where possible.

ESG Governance, established within the Operational Action stream on our strategic plan, brings together members of the Data#3 strategy team and subject matter experts. The wider strategic team is committed to climate change action and is charged with the task of building environmental sustainability in every aspect of our business. Our governance, ethics, assurance and risk (GEAR) team, meanwhile, is responsible for advising and supporting the business and managing compliance with both internal and external standards.

Data#3 is proud to comply in substance with the ASX Corporate Governance Council's Principles and Recommendations (Fourth Edition).

More information about Data#3 governance practices and related governance documents are available online [here](#).

Ethics

At Data#3, our people care deeply about doing the right thing and acting with integrity. Our culture is one of treating others, such as customers and partners, the way we would like to be treated ourselves. As we harness the power of people and technology to enable our customers' success, we are committed to performing our role within the highest ethical standards, making a positive difference in everything we do. This is at the HEART of what makes us a trusted business partner, inspiring high community and investment stakeholder confidence. Our objective is to lead our industry in ethical business practices.

The Value of Ethical Business

Put simply, ethical practices make good business sense. We recognise that when our decisions are guided by the best ethical interests of our customers, our people, our partners, and our shareholders, we can attract and retain exceptional people. In fact, in our most recent customer satisfaction survey, Data#3's ethical culture scored the highest rating.

Our Ethics and Compliance Framework

Over Data#3's long history, our ingrained sense of ethical business principles – including acting responsibly and with fairness – have been established and 'lived' by our leadership team and staff. To further guide our people on our ethical business principles, Data#3 has established a Code of Business Ethics (the Code) that articulates the goals and strategies of our Ethics and Compliance Framework. The Code sets the standard for the way we behave as individuals and as an organisation, and forming the foundations of Data#3's Ethics and Compliance Framework.

In FY23, we updated our code to reflect continued improvements made in Data#3's ethics program. Underpinned by our core values, the code is supported by a suite of policies and processes that cover all aspects of our business activities, from sales and marketing through to product and project delivery. In FY23, we further enhanced our Code of Conduct to address how our staff can improve ethical decision making.



All staff at Data#3 undergo induction and annual compliance training across all key policies and processes. It is a fundamental tenet of our strategic plan to support our leaders and staff, through effective training and coaching, to make ethical business decisions every day. A key aspect of this training is ensuring all leaders and staff at Data#3 know the formal ‘whistle-blower’ process to confidentially discuss any ethical concerns, without fear of reprisal. Data#3 draws on external expertise to ensure objectivity and allow us to meet the highest level of capability among leaders and staff throughout our business.

Community

Over time community expectations change, while technology is evolving rapidly. Our Ethics and Compliance Framework helps us ensure Data#3 can adapt to an ever-changing landscape, without losing sight of the ethical approach that is central to our character. Data#3 holds AS/NZS ISO9001:2015 certification and adheres to a range of policies that cover:

- Financial integrity
- Workplace health and safety
- Anti-bribery practices
- Diversity & inclusion
- Environmental sustainability
- Privacy
- Human rights & modern slavery
- Corporate governance
- Code of Business Ethics for staff and suppliers.

Working with Ethical Partners

Our established provider lifecycle management system, known as ProPEL, closely reviews all new suppliers to our business, annually assessing all key existing suppliers to ensure they are aligned to our Provider Code of Business Ethics – in particular, their commitments to abolishing all forms of Modern Slavery in their own supply chains. Data#3 submitted its own Modern Slavery Statement during FY23. We have embedded these requirements in our key vendor and supplier partnership decision making, so our customers and our workforce can be confident our solutions and services are underpinned by consistent values throughout the supply chain. Data#3 recognises that customer and vendor expectations of ethical practices are increasingly important to their own businesses, and we remain well placed to exceed their expectations.

This is not a static process. Throughout FY23, we continued to improve and enhance our Ethics and Compliance Framework, using insights from external affiliations and experts to drive ever-higher ethical standards. In our role as a trusted partner and technology expert, we are conscious of our responsibility to influence positive, ethical business practices within our business community. Our people use their skills and experience to help others use technology responsibly and appropriately. We do not support unethical behaviour, even if it means foregoing a lucrative opportunity: in the long term, the ethical choice is always the right option.

Ethics in Practice

Data#3’s dedicated Ethics and Compliance Committee consisting of five staff, led by Data#3’s General Counsel, is drawn from leaders in diverse roles and business units. This committee steers each annual plan to sustain the highest ethical standards. In the warehouse, that may mean ensuring transparency for the customer about availability of stock and any delivery delays, while in sales, it means ensuring the focus is on the best possible customer outcome, not on any incentive or reward.

The committee is supported by Ethics Champions, who are trained and equipped to help staff members whenever they need help to decide the most ethical course of action in any workplace situation that arises. In FY23, Data#3 enhanced the Ethics Champions program in each state and is focussing on providing further training to equip these individuals to offer support to their local colleagues.



Ethical People

Ethical business doesn't happen by chance. It takes the entire organisation to create a positive culture that supports doing the right thing, even when that is not easy. Data#3's core values are recognised as Honesty, Excellence, Agility, Respect and Teamwork: HEART. These values are highlighted in the induction training of every staff member and reinforced through formal and informal ongoing communications and human resource programs.

For us, HEART goes beyond mere words. It is an ingrained behaviour we strive to live up to every day. From our recruitment processes onward, we seek out and develop people who share our core beliefs about ethical behaviour. We strive to create an environment where our people are supported to make good decisions, so that even if a mistake is made, the focus is on making things right without negatively affecting our relationships with customers, vendors, and suppliers. Ultimately, good business ethics aids staff morale and fuels productivity, so everybody wins.

Our key business ethics-related policies can be viewed online [here](#).

Ethics in FY24

Our Ethics and Compliance Framework is not static, and we aim to continuously improve on this key responsibility of our business. Priorities for Data#3 in FY24 include:

- Rolling out an e-register for managing conflict of interest declarations (detailed design created in FY23).
- In-depth review of Data#3 gifts and entertainment policy and processes.
- Introduction of ethics themes and scenarios into teambuilding exercises and CSR initiatives.

Data#3 Ethics Score

Two years ago, Data#3 established an ethics score. The score is determined by combining our People and Customer Satisfaction survey results, where we asked these key stakeholders to consider our ethical behaviours, as well as external benchmarking results and an external holistic compliance program maturity assessment. Data#3's focus on ethical behaviour led to recording a high score in both years.



Compliance

It is important that ethical behaviour is consistently applied, with every part of our workforce aware of their rights and obligations. In FY23, mandatory induction and annual compliance training was updated to ensure Data#3 staff are aware of, and understand the requirements of, key codes and policies, and are informed of any recent updates.

Topics covered in compliance training include ethical dilemmas, gifts and entertainment, anti-bribery, safety, modern slavery, discrimination, harassment and bullying, and information security. The course content is refreshed annually to ensure content is relevant and applicable to all employees, with participants tackling knowledge quizzes to test understanding. Data#3's compliance training is overlaid with programs tailored to our business unit operations, featuring topic-specific policies based on unique risks. Where appropriate, the compliance training programs of our key vendors are covered.

Data#3 staff had a 99.98% (890) completion rate of compliance training in FY23.

All of the Data#3 workforce is encouraged to actively identify and raise compliance issues if they occur. This gives us the opportunity, using our defined governance and processes, to review and implement correction actions.



Political Donations

As an organisation, we count all levels of government among our customers. It is Data#3's policy not to make donations or contributions to any political party. Lobbying political parties, or publicly expressing the political views of the company's management is also prohibited. Data#3 has a clear position of political neutrality.



Individual Data#3 employees or agents may exercise their personal rights to make charitable donations from their personal resources, providing it does not result in any actual or perceived conflict of interests or appearance of impropriety for the company.



Risk Management Framework

To ensure the highest standards are maintained, we have adopted a structured and disciplined approach to risk management by developing and implementing a risk management framework in accordance with ISO 31000:2018 Risk Management – Principles and Guidelines. The Data#3 Board has established a risk management policy and procedures that promote identification, assessment, monitoring and management of risk, including climate and ESG related risks. The policy and procedures are designed to identify and evaluate any material changes to Data#3's risk profile.

Data#3 does not consider that it currently has material exposure to environmental or social sustainability risks. We continue to review the effectiveness of the current framework in identifying new and emerging risks. The Board is updated on risk and compliance activities by the general counsel on a monthly basis, including climate-related risk and compliance issues.

For more information, click [here](#).

Cyber Security

Cyber security risk is ever changing, with increasingly sophisticated attacks impacting a wide range of organisations. As an organisation, Data#3 understands the impact of cyber crime on individuals, businesses and governments. We take very seriously the responsibility to protect our organisational, staff, and customer data, and we invest in the required expertise to minimise cyber risk. All our staff receive annual and ongoing training that guides them through identifying and responding to cyber risks as they go about their everyday activities. Data#3 is ISO 27001 compliant across our IT, Corporate and Managed Services businesses, reflecting our ongoing endeavours to appropriately manage information within stringent confidentiality, integrity, and availability guidelines.

As a business we support nine offices, three warehouses, and around 1,300 home offices. Like many of our customers, we have been in the process of transition to a cloud-first strategy. For every change or update, cyber security considerations are prioritised as part of our process.

As an organisation we are fortunate to count some of the most knowledgeable cyber security experts among our staff. We are a globally recognised Microsoft Gold Security Partner, and Cisco Master Security Partner, and have award-winning, strong relationships with world-leading security vendors. We also contribute to the wider community by sharing knowledge through our free events and information assets.

From a governance perspective, Data#3 manages cyber and information security risk through its Operational Risk Management Framework, and its established Information Security Management system. We continually assess cyber security threats and vulnerabilities. Data#3 collaborates with global technology industry vendors to enhance the cyber security tools and expertise at our disposal, and shares intelligence about emerging risks with the wider business community. A monthly cyber security report is provided to the Data#3 Board.



Board and Executive Remuneration

We believe everybody deserves appropriate reward for their efforts in the workplace. The Data#3 Board, with the guidance of the Remuneration and Nomination Committee, is responsible for establishing and maintaining an appropriate framework for remuneration at Data#3. Our objectives are to ensure that remuneration:

- is fair, reasonable and in line with market and community expectations,
- appropriately rewards individuals for performance against their commitments, including non-financial commitments; and
- where performance based, is linked to appropriate financial and non-financial metrics which encourage long-term sustainable growth and do not reward conduct that is contrary to Data#3's values or risk appetite.

The Strategy Team is responsible for executing the Strategic Plan, and effective execution of the ESG Operational Action goals is directly linked to remuneration.

Taxation

Data#3 exists as part of a broader community, and that brings financial responsibilities. Data#3 takes its tax compliance obligations seriously and is committed to being a good corporate citizen of Australia, where we transact 99% of our business. To ensure complete transparency, we voluntarily disclose in our external reports the types and amounts of tax that Data#3 pays.

Data#3 has a developed Corporate Tax Governance Framework to set out the approach by which the group's tax obligations are met. This framework includes a tax risk register, which is presented to the Audit and Risk Committee annually. We engage reputable tax and legal advisors as and when required, to make sure we are making the right and ethical choices around payment of taxes. For further information see our Tax Report in our Annual Report.

Financial Reporting Integrity

We are committed to safeguarding the integrity of our corporate financial reporting. As part of this process, we ensure our financial statements are completed in accordance with applicable accounting standards and accurately reflect our performance and financial position. We are committed to only using Data#3 funds for legitimate business purposes, and ensuring our staff follow clear guidelines and policies when incurring reimbursable business-related expenses on behalf of Data#3.

In FY23, Data#3 was joined by incoming Chief Financial Officer, Cherie O'Riordan, who brings a wealth of experience in corporate accounting and regulatory compliance with ASX-listed organisations.

Our Priorities

No matter how well we are doing, we still aim to continually improve. In FY24 we aim to:

- Continue to review and improve key policies and processes
- Ensure all staff receive updated information security training
- Roll out an electronic conflict of interest register
- Improve our ethics score.

Data#3 staff at JuicelT Brisbane, 2023. JuicelT is Data#3's annual flagship event, running across Perth, Adelaide, Brisbane, Canberra, Melbourne and Hobart.



A Leading and award-winning Australian IT services and solutions provider, Data#3, is focused on helping customers to harness the power of people and technology for a better future.

Built on a foundation of over 45 years' experience, combined with world-leading vendor technologies, Data#3 is constantly evolving its solutions and services to enable its customers' success.

Leveraging solutions such as cloud, modern workplace, security, data & analytics and connectivity, combined with Data#3's services across consulting, project services and managed services, **Data#3 is delivering the digital future.**

We are dedicated to driving positive change through ESG for a better tomorrow.

data3.com/ESG



Data#3