Modern Slavery Statement

Financial Year ending 30 Nov 2019

Modern Slavery Statement

The importance of Modern Slavery responsibilities

K3 Business Technology Group PLC (and its group companies) ("K3", the "Group" or "we") recognises the role that all large corporations must play in the battle against human trafficking and slavery. We are committed to the protection of those vulnerable and take our statutory (and ethical) obligations seriously in this regard through our day to day operations.

About the K3 Group – our organisational structure

K3 Business Technology Group plc (K3 PLC) is a UK public limited company, whose shares are admitted to AIM. K3 PLC largely acts as a holding company for its trading subsidiaries, the most significant of which are based in the UK, Ireland, Netherlands and Denmark. A list of the subsidiaries (excluding dormant companies) is set out at the bottom of this statement. Although K3 PLC itself does not supply goods or services outside the K3 Group, and none of its subsidiaries alone meets the revenue threshold in order to be required to publicise a Modern Slavery Statement, we believe it represents good practice to publish this Modern Slavery Statement.

This Statement addresses the actions of the K3 Group as a whole, including K3 PLC and the subsidiaries listed below.

About the K3 Group – our business

K3 is a business technology group providing our retail, manufacturing and distribution customers with software solutions and related services. We operate from a number of locations across Europe and, as a Group, have a presence in the US, Singapore and Malaysia. The Group's businesses can be broken down into the following five key components:

- In the UK & Ireland we provide end-to-end software solutions and services for customers in supply chain driven industries. This includes ERP software platforms from SYSPRO and Sage, as well as 3rd party applications in combination with our own software/IP. We also provide a hosted service offering, as the 'K3 I Cloud', together with elements of hardware and IT infrastructure support;

- We supply software and services to global franchisees of an international furniture retailer, based on a core Microsoft solution;

- Our cloud IP software (based from Denmark) is sold in multiple European countries, providing our retail customers with packaged Software as a Service (SaaS);

- We have an eco-system of reselling partners and system integrators to sell our own Software products globally, principally our 'K3 I fashion' and 'K3 I pebblestone' software products, and our ERP agnostic integration platform 'K3 I dataswitch';

- We have developed and supply our 'K3Iimagine' platform and applications, which are provided on a Platform-as-a-Service ("PaaS") and Software-as-a-Solution ("SaaS") basis. The technology can be deployed agnostically via cloud or via our 'K3 I Cloud' Infrastructure-as-a-Service unit ("IaaS"). We have developed solutions for multiple business processes, including inventory management, Point of Sale ("POS"), pricing & promotion, tax compliance, and bespoke customer solutions, and believe that the ease with which our technology can be integrated and the innovation it supports makes our offering an attractive option for businesses across the supply chain sector.

Our supply chains

We have assessed our key supplier relationships in the context of modern slavery, and believe they fall into the following key categories:

- Third party software and associated service suppliers, where we resell or introduce those third party products. Some of our key suppliers in this category are Microsoft, Sage and Syspro, but we also resell a number of other third-party software products and services;

- Third party suppliers of IT consultants/professionals for the development of our own products and for our services offering; and

- Suppliers of hardware, hosting infrastructure and other IT components for the provision of our hosting, hardware support, and Danish SaaS offerings.

Our high level risk and new activities

We have assessed the territories within which we carry out our business by reference to the Walk Free Foundation Global Slavery Index and identified that (other than Malaysia, a country which is deemed by the Global Slavery Index to have an above average risk of forced labour) we generally do not operate from areas seen at high risk of forced labour. In addition, the sector within which we operate is relatively low risk in respect of human trafficking and slavery in our own workforce.

We have also assessed our key supplier relationships, many of which are businesses based in the UK or Europe, and which themselves (including Microsoft and Sage) appear to have robust policies and processes to combat modern slavery.

Notwithstanding this, we are aware that we cannot be complacent on combatting modern slavery, and the global nature of our business and that of some of our suppliers may present some inherent risks.

Our policies and effectiveness relating to modern slavery and human trafficking

We have robust policies in place that combat any risk of modern slavery or human trafficking within our own workforce:

- We have in place recruitment policies which include right to work checks and adhere to minimum wage obligations in each territory in which we have a presence;

- We also carry out additional background checks on all new UK employees commencing work with the Group;

- We hire any apprentices through reputable training providers, and ensure all employees (including apprentices and interns) are paid at least minimum wage;

- We train and brief our applicable HR personnel on the applicable policies and procedures relating to recruitment and right to work checks.

We also have in place a formal written whistleblowing policy, applicable to all employees and workers in the Group, which facilitates the transparent reporting of non-compliance including with modern slavery legislation.

In relation to the effectiveness of these processes and policies, no issues of non-compliance have arisen during the 2019 financial year, whether reported under whistleblowing policies or otherwise.

What we have done in the Financial Year 2019

In the financial year ending 30 November 2019, we have:

- Continued our move to a more centralised Group HR function, enabling us to co-ordinate and implement our policies and procedures across the Group more effectively;

- Continued the process of rolling-out across our Group the adoption of new contract terms and conditions with our customers and contractors, which include more robust provisions around modern slavery legislative compliance;

- Contracted with a single global service provider to provide services relating to immigration matters and visa processing for all of our Group businesses, to enhance the consistency of our operations and provide further assurances on compliance; and

- Implemented automated employee age checks and reporting to monitor and ensure compliance with minimum wage obligations.

Continuing our efforts – plans for the 2019/2020 financial year

In the 2019/2020 financial year we plan to focus on an assessment of our processes to evaluate our suppliers and partners and their policies and practices for compliance, as appropriate. We have not previously adopted a formal process of supplier evaluation and due diligence in the context of modern slavery compliance, and we plan to assess and consider the implementation of this in connection with other supplier vetting requirements.

This statement is made pursuant to section 54 of the Modern Slavery Act 2015

This statement has been signed by Robert Price, CFO and Director

For and on behalf of K3 Business Technology Group plc

Subsidiary Group Companies (non-dormant):

DDD Retail A/S	Denmark
Retail Support International ApS	Denmark
DdD Retail Norway AS	Norway
DdD Retail Germany GmbH	Germany
DdD Retail Sweden AB	Sweden
Colne Investments Limited	England and Wales
K3 BTG Limited	England and Wales
K3 Business Technology Group PLC	England and Wales
K3 FDS Limited	England and Wales
K3 Business Technologies Limited	England and Wales
K3 Syspro Limited	England and Wales
K3 Systems Support Limited	England and Wales
Retail Systems Group Limited	England and Wales
Starcom Technologies Limited	England and Wales
K3 Business Solutions B.V.	The Netherlands
K3 Holdings B.V.	The Netherlands
K3 Software Solutions B.V.	The Netherlands
K3 Solutions B.V.	The Netherlands
F.D.S. Technology Systems Limited	Republic of Ireland
Integrated Manufacturing Software Limited	Republic of Ireland
K3 Retail and Business Solutions Limited	Republic of Ireland
K3 Business Solutions Pte Limited	Singapore
K3 Business Solutions ehf	Iceland
K3 Software Solutions LLC	USA
K3 Business Solutions SDN BHD	Malaysia