



**FedEx Express Australia
Australian Modern Slavery Statement
Reporting Year ending 31 May 2021**

INTRODUCTION

FedEx Express Australia recognises that it has a responsibility to be alert to the risks of slavery, servitude, forced labour, debt bondage, the worst forms of child labour and human trafficking ('modern slavery'). FedEx Express Australia is committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to mitigate the risk of modern slavery in our own businesses and in any of our supply chains.

This is the annual joint Modern Slavery Statement ('Joint Modern Slavery Statement') published by FedEx Express Australia in compliance with the *Modern Slavery Act 2018 (Cth)* ('Australian Modern Slavery Act').

This Joint Modern Slavery Statement describes the steps taken by FedEx Express Australia to assess and address each of the mandatory criteria in the Australian Modern Slavery Act and to minimise the risks of modern slavery occurring in our businesses and supply chains. This Joint Modern Slavery Statement covers the FedEx Express Australia financial year ending 31 May 2021 ('FY21'). This Joint Modern Slavery Statement also sets out FedEx Express Australia's future plans for the next reporting year ('FY22').

STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Structure

FedEx Express Australia Pty Ltd (ABN 41 000 495 269), Federal Express (Australia) Pty Ltd (ABN 51 624 271 487) and A.C.N. 003 100 052 Pty Ltd (ABN 35 003 100 052) (together called 'FedEx Express Australia') are all Australian companies incorporated pursuant to the *Corporations Act 2001 (Cth)* and together form a consolidated tax group for the purposes of Australian Accounting Standards Board.

These three companies are part of the FedEx group, with FedEx Corporation as the ultimate holding company. FedEx Corporation is listed on the New York stock exchange and has its head office in Memphis, Tennessee, United States.

During FY21, FedEx Express Australia had a combined workforce of approximately 5,500 people across Australia.

Operations

FedEx Express is one of the world's largest express transportation companies, providing delivery to every U.S. address and to more than 220 countries and territories. FedEx Express uses a global air-and-ground network to provide delivery of time-sensitive and express shipments and transportation services.

FedEx Express Australia provides domestic express transportation services through the TNT brand and international express services through both the TNT and FedEx Express brands. Our extensive domestic express road transportation network operates with approximately 50 stations, 2,600 vehicles and 190 agents nationwide. The Australian domestic express air transportation services are offered through air linehaul suppliers. The international express transportation services are offered through a combination of FedEx owned aircraft and air linehaul suppliers.

Supply Chain

FedEx Express Australia purchases a variety of goods and services from many different suppliers. A summary is set out below:

Operations

- Air and road linehaul
- Agents, forwarders and outside hire
- Labour hire and subcontractor drivers
- Parcel collection services
- Vehicles
- Fuel
- Material handling equipment and consumable products
- Maintenance service providers
- Uniforms and personal protective equipment
- Property, premises and building maintenance

Corporate

- IT hardware

- Promotional marketing materials and goods
- Facility management, including cleaning services

Given our large domestic network, the majority of our suppliers are based in Australia. For FY22, FedEx Express plans to extend enquiries to those suppliers to determine the geographic reach of our supply chain.

RISKS OF MODERN SLAVERY IN OUR SUPPLY CHAINS AND OPERATIONS

In FY20 FedEx Express Australia conducted an assessment on risk of our supply chain. In doing so, we considered the Australian Government Guidance in the transportation industry.

We identified the supply of uniforms, personal protective equipment and cleaning of our premises as being higher risk, in accordance with the Commonwealth Modern Slavery Act 2018 — Guidance for Reporting Entities ('Australian Government Guidance'). Additionally, there is a potential risk of modern slavery in our use of labour hire, subcontractors and linehaul suppliers, however, the fact that these are predominantly Australian based decreases the geographical risk of modern slavery.

In FY21, we conducted due diligence on our suppliers who fall within the categories of potential risks in our supply chain ('tier one suppliers') to FedEx Express Australia by way of modern slavery questionnaire.

Our key findings were as follows:

- 85% of these suppliers assess risks of modern slavery in their supply chains and implement appropriate procedures to mitigate the risks identified;
- none of these suppliers were aware of any conduct on their part or the part of any of their employee, agent, sub-contractor or supplier that might give rise to investigation or allegation of modern slavery in their operations or supply chain;
- all of these suppliers have appropriate procedures in place that allow their employees and others associated with their business to report, without fear of retaliation, or matters related to modern slavery;
- 81% of these suppliers have a policy which prohibits their employees, agents, sub-contractors and suppliers from engaging in forms of modern slavery;
- over 50% of those suppliers:
 - require their direct suppliers to certify that all materials incorporated into the final products were sourced, processed and manufactured without the use of modern slavery and in compliance with modern slavery laws;
 - set out consequences for supplier non-compliance with appropriate modern slavery laws; and
 - conduct audits of their operations and suppliers to ensure that they operate in compliance with all applicable modern slavery laws.



ACTIONS TAKEN TO ASSESS AND ADDRESS IDENTIFIED RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESSES

Global Approach

FedEx Express Australia is part of the FedEx group of companies and is therefore subject to applicable FedEx global policies and procedures. Accordingly, FedEx Express Australia has also included actions taken at a global level in this Joint Modern Slavery Statement as well as the steps taken by FedEx Express Australia in compliance with the Australian Modern Slavery Act.

FedEx Express Australia is committed to ensuring there is transparency in our businesses and in our approach to tackling modern slavery throughout our supply chains and fully expects the same high standards from our suppliers and from entities in their supply chains.

Policies and Governance

FedEx Express Australia is subject to the FedEx Code of Conduct (<https://www.fedex.com/en-us/about/policy/corporate-integrity-and-compliance/code-of-conduct.html>), which applies to all entities globally in the FedEx group of companies. The Code of Conduct set out the expectations required of FedEx to ensure compliance with the law wherever it operates and to always maintain high standards of business and personal ethics. The Code of Conduct sets a high standard for behavioural conduct in areas that include protecting and advancing human rights, including prohibition on modern slavery, workplace health, safety and environment, harassment and discrimination, conflicts of interest and gifts and entertainment. Every team member is familiarized with the Code during onboarding and encouraged to report all suspected violations using our 24hour FedEx Alert Line service or by contacting management, Legal or Human Resources.

Doing business in an ethical and responsible manner is already enshrined within FedEx Express' current set of policies and procedures. These policies and procedures help minimise the risk that modern slavery occurs within our businesses or supply chains. These policies include:

- FedEx Human Trafficking Policy — including prohibiting trafficking in persons, forced labour, debt bondage (<https://www.fedex.com/en-us/about/policy/corporate-integrity-and-compliance/global.html>)
- Australian Whistleblowing Policy (https://www.fedex.com/content/dam/fedex/international/international/images/2020/Q3/FedEx_Express_and_TNT_AU_Whistleblower_Policy_January_2020_606549225.pdf)

FedEx Express Australia aims to mitigate the risk of modern slavery occurring in our operations and supply chains by prohibiting trafficking-related activities and we also expect our suppliers and contractors to uphold these important principles. We encourage the reporting of any suspected violations through the FedEx Alert Line or as otherwise provided for under the Australian Whistleblowing Policy, and our policies forbid any form of retaliation for making such a report. The Policy Prohibiting Trafficking in Persons has been widely communicated within FedEx Express Australia businesses and supply chains.

Training

FedEx Express Australia acknowledges that our ability to mitigate and combat modern slavery relies on our employees' awareness of how to identify risks of human rights issues and modern slavery. The Code of Conduct is available in English and 33 other languages. FedEx Express Australia employees receive training on the Code of Conduct to ensure employees understand the expectations set out in the Code.

We have also provided training on the Australian Modern Slavery Act and Australian modern slavery reporting requirements to our Australian senior management leadership team.

Due Diligence Processes in Relation to Modern Slavery

FedEx Express Australia has a centrally managed procurement and sourcing function to ensure procurement processes comply with applicable laws, as well as FedEx's global policies, to mitigate any risk in our supply chain and operations of modern slavery occurring.

FedEx Express Australia considers potential modern slavery risks at the outset of our relationships with our suppliers. FedEx Express Australia requires all suppliers to comply with all applicable laws in their places of operation. When FedEx Express Australia engages a new supplier, compliance with FedEx's Code of Conduct is included in the contract between the parties.

In addition, in FY21, we rolled out the modern slavery compliance clauses in our supplier contracts as planned.



Finally, in FY21, we identified our “tier one” suppliers and sent them Modern Slavery questionnaires, as noted above.

Remediation

Whistleblower Policy and Alert Line

The FedEx Alert Line is an independent service provider and can be accessed by all FedEx employees globally and any other person who wishes to raise a concern about modern slavery, including victims. FedEx Express encourages our employees and other parties to raise concerns about any issue or suspicion of modern slavery through the Alert Line. All reports received through the Alert Line are acted upon in accordance with the Whistleblowing and Alert Line policies and procedures.

FedEx Express employees are also encouraged to report modern slavery issues or concerns to their line managers or in accordance with FedEx Express Australia's Whistleblowing Policy. The Whistleblowing Policy is available on FedEx Express Australia's website.

FedEx is committed to ensuring the fair treatment of employees and other persons who report or raise a concern, for instance via the Alert Line. FedEx prohibits any form of retaliation against a person who reports in good faith any concern they have about any issue or suspicion of modern slavery. FedEx also prohibits retaliation against anyone who assists in an investigation.

ASSESSING EFFECTIVENESS OF ACTIONS TAKEN

FedEx Express Australia recognises the importance of evaluating the effectiveness of actions taken to deal with risks of modern slavery.

We believe that each of our actions taken so far effectively contribute to minimising the risk of modern slavery in our supply chain. In particular, we note the effectiveness of the following actions taken:

- **identifying key risks:** we have mapped out our supply chain and identified areas with potential risks of modern slavery;
- **risk assessment:** the modern slavery questionnaires which we sent to our tier one suppliers provided us with information as to how modern slavery compliance is being managed in our supply chain;
- **raising awareness of modern slavery risk:** we raised awareness of modern slavery risk by providing training to procurement personnel and senior management;
- **preventative measures:** the modern slavery compliance clauses in our supplier contracts seek to minimise the risk of modern slavery in our supply chain.

NEXT STEPS

In FY22, FedEx Express Australia plans the following actions:

- undertake supplier due diligence questionnaires for a broader range of suppliers;
- review our vendor selection processes in respect of modern slavery compliance;
- review modern slavery clauses in our supplier agreement templates;
- continue to require our suppliers to comply with our modern slavery clause in our supplier contracts;
- provide further training to senior management and procurement personnel on modern slavery compliance.

CONSULTATION BETWEEN REPORTING ENTITIES

FedEx Express Australia functions as a joint operating group, therefore each reporting entity structure reports up to the same senior management team. The statutory Board of Directors for each of the reporting entities also share some common directors.

For this Joint Modern Slavery Statement, consultation between the reporting entities was therefore facilitated through the senior management team. For FY22, consultation and joint activities will continue to be facilitated by a modern slavery project team made up of key stakeholders across from the Australian functional areas of FedEx Express. The project team will meet and communicate to develop a joint approach across the FedEx Express Australia businesses.

OTHER RELEVANT INFORMATION

Impacts of COVID-19 On FedEx Express Australia's Supply Chain

The impact of COVID-19 on potential modern slavery risks in our business will continue to be monitored and actioned if necessary, through the measures outlined in this Joint Modern Slavery Statement.

BOARD APPROVAL OF JOINT MODERN SLAVERY STATEMENT

This statement is made pursuant to sections 14 and 16 of the *Modern Slavery Act 2018 (Cth)* and constitutes FedEx Express Australia Modern Slavery Statement for the FedEx Express financial year ended 31 May 2021.

This statement is approved by and signed on behalf of the Board of Directors of

- Federal Express (Australia) Pty Ltd (ABN 51 624 271 487);
- FedEx Express Australia Pty Ltd (ABN 41 000 495 269); and
- A.C.N. 003 100 052 Pty Ltd (ABN 35 003 100 052),

(together called 'FedEx Express Australia')

by:



Peter Langley
Regional Vice President Operations
FedEx Express Australasia
Date: 29, November 2021