

1. The Reporting Entity

This statement has been published and approved by Kerry Logistics (Oceania) Pty Ltd ('Kerry Logistics') (ABN 19 600 672 366) in accordance with the *Modern Slavery Act 2018* (Cth) ('the Act').

This statement outlines the steps which Kerry Logistics have taken during the financial year ending 31 December 2021 to identify and address modern slavery risks within our supply chain.

Kerry Logistics experienced a period of large growth in the last quarter of 2021 which positioned the business in the group for mandatory Modern Slavery reporting. Subsequently this is our first statement and reflects our initial steps to recognise and address modern slavery risks in our business.

2. Structure, operations and supply chains.

Kerry Logistics is ultimately owned by Kerry Logistics Network Limited (KLN), a publicly listed company on the Hong Kong stock exchange. KLN and its group of companies (the "Group") is an Asia-based, global 3PL carrying out integrated logistics, international freight forwarding (air, ocean, road, rail and multimodal), industrial project logistics, to cross-border e-commerce, last-mile fulfilment and infrastructure investment. KLN is based in 59 countries spanning Mainland China, India, Southeast Asia, the Americas, Middle East and Europe.

The operations of Kerry Logistics in Australia consist of international freight forwarding, customs brokerage, warehousing and transportation;

- International Freight Forwarding – customs clearance, transportation of goods via air and sea for both imports and exports to/from Australia and unpacking and transportation at destination.
- Warehousing – storage of customers goods in third party warehouse, inward and outward goods management and inventory management.
- Transportation – inbound container pick up and delivery of customer goods via third party transport providers.

Kerry Logistics was established in 2014 and has offices in Sydney, Melbourne and Adelaide. The business had 42 employees at 31 December 2021.

Kerry Logistics utilises a network of service providers and subcontractors who provide transportation and cargo handling services;

1. **Shipping Lines**– Kerry Logistics provides freight management services coordinating the purchase of space, both containerised (FCL) and non-containerised (LCL) for the international movement of various cargoes. Kerry Logistics acts as intermediary between cargo owners and the shipping lines.
2. **Airlines** – Kerry Logistics is an IATA Registered and RACA Security Accredited agent, providing customers with access to both passenger and cargo only aircraft for the international movement of cargo.

Depending on the applicable INCO terms agreed between the buyer and seller, this may or may not include additional services to transport, load or unload and or warehouse cargoes. Kerry Logistics is a licenced Customs Broker, holding an Authorised Arrangement with

Department of Agriculture, Water and Environment (DAWR) to facilitate the smooth movement of cargo at the border with Australian Customs and Border Control authorities.

3. **Transport providers** – Kerry Logistics does not operate its own domestic transport fleet for movement of cargoes by road and utilises various transport providers across Australia to best match customers' requirements for the pickup and delivery of international cargo. We carefully select reputable companies who have a strong track record of safety and compliance.
4. **Labour providers** – Kerry Logistics will from time to time utilise external labour hire companies to support additional requirements for the physical handling of cargo, typically related to the packing or unpacking of FCL containers, palletisation of loose cargo and loading or unloading of trucks. All labour providers are vetted to ensure quality, compliance and safety are paramount for all workers entering a Kerry Logistics site.

Kerry Logistics also have an extended offshore document processing team based in Manila, Philippines. This team consists of 31 people and whilst not directly employed by Kerry Logistics, they are dedicated and critical labour to our supply chain. This supplier is committed to limiting the risk of modern slavery occurring within its own business, infiltrating its supply chains or through any other business relationship, and will only do business with organisations who fully comply with their Modern Slavery Policy, or those who are taking verifiable steps towards compliance.

3. Risks of modern slavery practices in Kerry Logistics' operations and supply chains

Modern slavery' incorporates situations of **exploitation where a person cannot refuse or leave work because of threats, violence, coercion, abuse of power or deception**. It includes slavery, servitude, forced labour, debt bondage, and deceptive recruiting for labour or services.

After becoming familiar with the above definition of Modern Slavery we conducted a preliminary risk assessment of our suppliers considering the location and type of service provided;

1. Local Operations

All employees of Kerry Logistics are based in Australia. We therefore have a high visibility over their working conditions and the recruitment process. All employees are paid at award rates or above and working conditions are monitored.

Employees undergo an extensive induction process which is signed off by their manager and also Human Resources. When employees commence, they are provided with the company policy manual which contains our policies on Whistleblowing, Anti bullying and Harassment, Grievance Policy and Anti-Bribery Policy.

Our Whistle blower Policy allows all workers and their families to identify and report genuine concerns about illegal conduct or any improper state of affairs pertaining to the Company, without fear of reprisals and with the option to remain anonymous. An externally managed Whistle blower Policy hotline is also offered for employees to report matters.

Consequently, we have deemed the possibly occurrence of modern slavery in our local operations as low risk.

2. International Carriers

Within our supply chain our top suppliers by expenditure are shipping line. Shipping lines are at risk of modern slavery due to the global operations where seafarers are from various nations, some of which have limited human and labour rights. These nations may also have corruption in governments as well as limited legal protections for employees and individuals seeking protection. There are noted cases of seafarers being denied clean drinking water, adequate food and also not being paid wages owed. Further contributing factors are the isolated working location and lack of means to seek assistance while at sea and the high level of cost restraints shipping lines work under.

Recently, COVID has caused additional issues with seafarer's accessing shore leave which reduces their opportunity to seek assistance where they have experienced lack of payment of wages or other problems, leaving them further isolated. There have also been reported cases of seafarers being pressured to work beyond 12 months under current contracts. Seafarers can fear being blacklisted if they complain about their working situation creating a situation close to forced labour.

3. Domestic Transportation

We have assessed the likelihood of modern slavery like practices occurring in our domestic transport supply chain as being low. However, risks remain in respect to subcontractor drivers employed within the supply chain where there is a lack of control by Kerry Logistics over the conditions these subcontractor driver's are employed under. These risks are especially relevant for migrant workers.

4. Overseas based Labour Providers

Kerry Logistics outsources document processing tasks to a provider in Manilla, Philippines. We recognise that the Philippines is considered a high-risk geographical area for Modern Slavery practices. While the supplier does not have a published Modern Slavery statement, we have communicated directly with the supplier to understand their practise around limiting Modern Slavery and consequently, are comfortable that the risk is low.

5. Other Risks

Computer hardware suppliers and cleaning contractors are two other areas which Kerry Logistics has some involvement with that are deemed to be high risk industries for Modern Slavery. However, given the limited exposure compared to the other groups of suppliers we have not undertaken any further analysis at this stage.

4. Actions taken to assess and address these Modern Slavery risks

In addition to the establishment of a comprehensive Whistle-blower policy and our employee induction processes, we have established a Modern Slavery committee made up of key managers representing different departments of Kerry Logistics. The aim of the committee has firstly been to educate team members about what Modern Slavery is and how this relates to our supply chain.

The committee has reviewed our supplier listing in order of expenditure then further categorized the listing based on a risk allocation that encompasses the industry and location of the supplier. We have also considered whether the supplier has a published Modern Slavery statement.

We have designed a comprehensive Modern Slavery questionnaire and are currently in the process of sending out to our suppliers.

This initial risk assessment and the responses from the supplier questionnaire will provide Kerry Logistics with a understanding of where risks are occurring in our supply chain.

5. Assessing the effectiveness of Kerry Logistics' actions

Kerry Logistics promotes ethical and legal practices with its employees, suppliers and subcontractors and these are set out in our Code of Conduct. The communication of policies and procedures sets the minimum standards of good practice and expected behaviours. We are confident that our induction process for employees and subcontractors as well as our Code of Conduct and policies on Whistleblowing, Anti Bullying and Anti Bribery creates a solid foundation to minimise modern slavery.

However we are in the early stages of addressing Modern Slavery risks in our supply chain and have a number of actions that we are either in the process of completing at the date of this statement or have yet to start;

Future Commitments

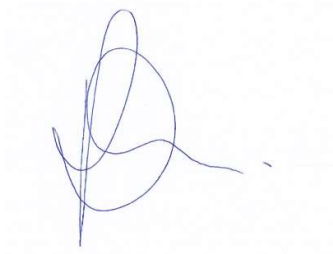
In the next 12 months Kerry Logistics commits to address the following further actions towards reducing Modern Slavery risks in our supply chain;

1. Develop a formal Modern Slavery policy.
2. Review the responses from our suppliers from our Modern Slavery questionnaire to identify high risk suppliers.
3. Gain a greater understanding of the practices of our transport subcontractors.
4. Hold formal Modern Slavery training for managers and team leaders.
5. Include Modern Slavery clauses in our new contracts with customers and suppliers.
6. Aim to make more educated choices when selecting new suppliers by considering their Modern Slavery policies and procedures. For example, by reviewing the supplier's published Modern Slavery statement or by sending the supplier a Modern Slavery questionnaire.
7. Conduct a risk assessment of other industries at high risk of Modern Slavery practices such as cleaning and computer hardware suppliers.

6. Consultation with entities of Kerry Logistics

This statement covers all relevant business units of Kerry Logistics (Oceania) Limited. All business units were consulted in the drafting of this statement.

This statement was approved by the board of Kerry Logistics (Oceania) Pty Ltd on 29 June 2022.

A handwritten signature in blue ink, appearing to be 'R Gilhooly', written over a light blue grid background.

Robert Gilhooly, Managing Director of Kerry Logistics (Oceania) Pty Ltd