

MODERN SLAVERY STATEMENT 1 July 2020 to 30 June 2021

Introduction to Friesian and McColl's Transport: structure and operations

Friesian Pty Ltd (ACN 625 545 995) (**Friesian**) was formed in 2018 by a group of private investors to buy McColl's Group Holdings Pty Ltd which was the holding company for the McColl's Transport business (**McColl's**). For the relevant period, and to date, the sole investment that Friesian has made is to purchase and invest in the McColl's business. Accordingly, this statement will focus on the McColl's business.

McColl's Transport (www.mccolls.com.au) started operations with a single truck in 1952. Today, McColl's is a modern logistics company and the largest independent carrier in Australia of dairy, food and industrial chemicals.

McColl's has a fleet of more than 200 prime movers and 650 bulk tankers based at 21 sites around Australia. McColl's plays a pivotal role in the bulk liquid transport infrastructure in Australia and employs 500 people. Its head office is in South Geelong, Victoria.

McColl's has three divisions:

- Farm milk collection – transports milk from farms to dairy processing facilities;
- Bulk food transport – moves liquid food products between factories; and
- Bulk chemical transport – transports specialised chemicals between industrial users.

McColl's is a values-driven organisation and it is vital that McColl's personnel reflect our core values. To deliver a transport service unmatched in quality, safety and reliability, McColl's has fostered a company culture based on five core values:

- Safety first;
- Honesty and integrity;
- Consistency;
- Mutual respect; and
- Commercial responsibility.



To carry out its operations, Friesian has 100% ownership of 12 legal entities within the Friesian / McColl's group (**FM Group**). This statement is reporting on behalf of all of these entities, who are listed in Appendix One. The most active of those entities include McColl's Transport Pty Ltd (ACN 052 199 167), McColl's Operations Pty Ltd (ACN 630 416 867) and McColl's Equipment Pty Ltd (ACN 630 416 894).

The entities in the FM Group share common directors and officers, meaning that the directors and officers are identical for each company in the FM Group. The companies operate as a group and not independently. As such, the process of consultation with all members of the FM Group is to assess each group member's risk, and then to ensure that the directors and officers are aware of the obligations and practices are applied consistently.

Friesian's supply chains

To deliver its services, Friesian has an extensive network of suppliers and subcontractors providing products and services, including prime movers and tankers, fuel, parts and maintenance, tyres, road tolls, cleaning services, property maintenance, recruitment and training, insurances, uniforms and personal protective equipment, professional services, utilities and IT software and hardware.

Context of this Modern Slavery Statement

Per the Australian Government's Department of Home Affairs: "Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour."

Friesian abhors and, if identified, would take a zero-tolerance approach to any form of Modern Slavery as defined by the *Modern Slavery Act 2018* (Cth) in its operations and supply chains. This position is supported by Friesian's approach to compliance, policies and values.

As set out above, this Modern Slavery Statement covers the reporting period from 1 July 2020 to 30 June 2021.

Risks in Friesian's operations and supply chain

Friesian has carefully considered the extent to which it may cause, contribute to or link with modern slavery practices. This analysis included a comprehensive assessment of the:

- number, industry, location and spend with particular suppliers;
- review of legal relationships with these suppliers;
- products or services procured; and
- overall consideration of the risks of modern slavery.

For context, Friesian only operates within Australia and had approximately 890 suppliers of goods and services during the reporting period. These suppliers are a mix of public and private companies, and sole-traders.

Friesian's analysis found that over 99% of these suppliers were either Australian businesses or we were dealing directly with the Australian-based arm of a multi-national corporation. Accordingly, Friesian considers its geographic risk of modern slavery to be relatively low.

Following analysis, Friesian considers that its risk of causing or contributing to modern slavery are low. Among other steps taken to mitigate this risk, Friesian has regularly committed itself (through contracts with customers and key major suppliers) to upholding legally and ethically compliant practices, and reporting and managing any concerns of non-compliance. In the reporting period, Friesian did not report or manage any such concerns.

Friesian's business and industry (primarily transport and logistics, though Friesian services the dairy, food and chemicals industries) has not substantially changed in this reporting period. Friesian's risks and key considerations are similar to the previous reporting period.

One specific area of high risk in the transport and logistics industry continues to be labour conditions. Friesian mitigates this risk in a number of key ways, including by continuing to:

- engage all employees on employment agreements that comply with the National Employment Standards;
- provide a safe environment for work, including training, and ensuring compliance by all personnel engaged with our business;
- operate in accordance with the Heavy Vehicle National Law (**HVNL**) and ensuring our staff, contractors and customers comply. Amongst other things, the HVNL sets standards around managing fatigue and use of heavy vehicles to promote the safety of all personnel engaged with our business;
- have written contracts with all regularly engaged transport sub-contractors that pass on our expectations, safety requirements, and all other required standards, and then auditing those contractors as required; and
- provide access to company procedures for complaint handling, including a confidential Whistleblower service for any complaints that personnel do not wish to handle through the company's ordinary procedures.

However, it's noted that contractors who perform work for Friesian are not directly controlled by it, and Friesian is therefore unable to have oversight over, or control, all working conditions at all times. This is particularly the case given the nature of our business which involves a degree of long-distance and remote operations. Therefore, there remains a risk, albeit low, that some workers may be victims of modern slavery.

Friesian accepts there is greater risk that a business such as its may be linked to (rather than

directly cause or contribute to) modern slavery practices through the activities of someone it has a business relationship with. In particular, Friesian accepts that there is higher risk where products are sourced from particular industries (for example uniforms / textiles) or other countries (for example where conflict or governance standards have created weaker regulation and/or poverty).

Following analysis, Friesian considers there are some steps it can take to further minimise the risk of modern slavery in these areas of its supply chain. These are addressed below.

Steps taken or proposed to address risks in Friesian's operations and supply chain

During the previous reporting period, the focus was principally on assessing the baseline risk and ensuring that key areas within Friesian's direct control were able to be addressed. Specifically, this meant assessing Friesian's contractor network for compliance and determining where the focus should be directed in the future.

The focus in this reporting period was consolidation and continued discovery of any risks within the contractor network, as well as training key personnel in the optimal way to identify and minimise the risk of modern slavery.

Friesian has:

- Commenced consultation and development of a Modern Slavery Policy to formalise Friesian's position against modern slavery;
- Trained key personnel responsible for our operations and management of supply chain in the risks of modern slavery; and
- Sought positive compliance statements from contractors to ensure there is a meaningful, legal commitment to Friesian to maintain compliance.

Friesian's capacity to take further steps in the reporting period was compromised due to the continuing impacts of COVID-19 and the focus on maintaining the company's core operations.

Over the next reporting period, Friesian has determined that it will aim to take the following steps:

- Ensuring that its Modern Slavery Policy is clearly communicated to all staff, contractors and suppliers, and that it forms part of our workplace policies and training for relevant staff;
- Evolve the key personnel training to ensure that they can identify and minimise the risks of modern slavery in Friesian's supply chains;
- Review and where necessary amend contracts with Friesian's sub-contractor fleet to

ensure compliance;

- Engage with major suppliers in industries of greater potential risk to understand how they manage modern slavery risks and to seek confirmation of compliance with legal standards. Areas of focus may include;
 - uniform supply;
 - repairs and maintenance;
 - facility maintenance, including cleaning, building and yards;
 - tyres; and
 - equipment supply.

Friesian will assess the effectiveness of our actions through procurement reviews, deeper education, growth of industry awareness, and audits of suppliers where necessary. The potential impact of modern slavery on our operations and supply chain will be monitored and reviewed regularly by Management, and reported to the Board.

This statement has been approved by the Board of Friesian Pty Ltd.



Simon Thornton
CEO and Managing Director
23 December 2021

Appendix One – Friesian / McColl’s Group Entities

This Modern Slavery statement is made on behalf of the following entities.

1. Friesian Pty Ltd ACN 625 545 995
2. Friesian McColls Pty Ltd ACN 625 547 588
3. McColl’s Operations Pty Ltd ACN 630 416 867
4. McColl’s Equipment Pty Ltd ACN 630 416 894
5. McColl’s Group Holdings Pty Ltd ACN 105 314 609
6. McColl’s Transport Pty Ltd ACN 052 199 167
7. McColl’s Transport (Equipment) Pty Ltd ACN 052 968 260
8. Prestige Tankers Pty Ltd ACN 077 696 327
9. McColl’s Services Pty Ltd ACN 096 000 832
10. Pure Logistics Cold Chain Pty Ltd ACN 000 437 856
11. McColl’s Plant & Equipment Pty Ltd ACN 105 314 823
12. McColl’s Tankers Pty Ltd ACN 081 354 529
13. McColl’s Northern Victoria Dairy Pty Ltd ACN 616 444 510