

efm Modern Slavery Statement

Introduction

This Statement describes the actions taken by Freight Management Holdings Pty Ltd (ACN 144 724 532) (**FMH**) and its controlled entities (**FMH Group**) to assess and address modern slavery in its operations and supply chains in compliance with the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Laws**) for the reporting period 1 July 2019 to 30 June 2020.

Modern slavery involves the most serious forms of exploitation and includes human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

FMH and all its subsidiaries do not condone any form of human rights abuse, including modern slavery. It expects all employees, suppliers, and subcontractors to uphold a culture of integrity, honesty, and commitment to ethical labour.


We are committed to improving our governance framework to minimise and prevent risks of modern slavery and strengthening our internal and external modern slavery awareness program.

Our Structure, Operations and Supply Chain

Freight Management Holdings Pty Ltd is incorporated in and registered in Australia as a private company. FMH's head office is located in Melbourne, Australia with over 283 employees across Victoria, New South Wales, Queensland and Western Australia.

The FMH Group operates under the “efm” brand for its 4PL logistics services and warehousing services. efm is a well-known company with strong cultural values that are demonstrated by its ongoing commitment to quality, compliance and its established systems and processes.

It provides a diverse range of services through the following FMH subsidiaries:

Entity	Industry	Operations
 <p>NO BETTER EXPERIENCE</p> <p>efm Logistics Services Group Pty Ltd (ACN 144 724 685)</p>	Logistics	Logistics as a 4PL provider, efm provides a diverse range of logistics and supply chain services to customers, including: <ul style="list-style-type: none"> • Consulting • Solution Design • Data intelligence & reporting • Transportation • Warehousing • Implementation • Management



 <p>efm Warehousing Pty Ltd (ACN 144 895 885)</p>	Logistics	As a 3PL provider, efm provides tailored warehousing solutions covering a diverse range of services including contract warehousing, pick and pack, storage and distribution.
 <p>Flip Group Technologies Pty Ltd (ACN 607 246 042)</p>	Information Technology	Product and engineering software development company.

As part of a restructure of the FMH Group a number of non-operational subsidiary entities were deregistered during the reporting period. Additionally, FMH owns a number of dormant entities, including Bardelo Pty Ltd (ACN 161 992 310) and efm Logistics Pty Ltd (ACN 144 895 607).

Our supply chains include but are not limited to: freight carriers and transport companies in Australia and New Zealand, consultancy and professional services, cleaning companies, IT infrastructure and hardware suppliers, software as a service providers across office automation and tooling used in software and product development, general office suppliers, labour hire agencies and recruitment service providers, venue and entertainment hire, catering/food and drink suppliers and equipment providers, for example equipment such as printers and forklifts. Typically, we have long standing commercial relationships with our suppliers.

Risks of Modern Slavery in Operations and Supply Chain

Understanding our modern slavery risks is critical to targeting our actions to prevent and address the issues. We regularly analyse risks in our business as part of our risk management methodology and have identified the following areas where the risk factors of modern slavery may potentially exist:

Supply chain and Operations

To assist in the delivery of the core 4PL services, we engage with a network of suppliers, subcontractors and agents. As we engage with suppliers there is an indirect risk within our supply chain of us engaging with suppliers whose own supply chains may be at an increased risk of modern slavery practices. As we do not have control over or direct visibility over the practices of these suppliers including the working conditions of their employees and subcontractors, monitoring third parties is difficult which means we may not be aware of a supplier engaging in modern slavery practices. We have set out below further in our Statement how we will take actions to help mitigate these risks.

Additionally, the need for a contingent workforce (casual workers) at times of high demand, increases the risk via services of recruitment agents who are themselves potentially engaging in modern slavery practices.

COVID-19

We recognise that the COVID-19 pandemic has intensified existing vulnerabilities in operations and supply chains across the globe. During the reporting period the government implemented lockdowns to slow the spread of COVID-19, although, like many in the transport and logistics industry we were considered an essential service and therefore could continue operating, albeit remotely for some of the functions. During this time State borders were also closed, and restrictions varied from State to State across Australia. This significantly impacted our operations and supply chains as new and additional protocols were introduced (and varied across States) to ensure the safety of the employees of our suppliers.

Actions taken to assess and address Modern Slavery risks

Each year we intend to transparently report on how we are tracking to improve our response in addressing modern slavery in our supply chain and operations. The foundational actions completed during FY20 are listed below:

- **Policy Framework**
 - Our commitment to responsible business practices, including ethical labour and the mitigation of modern slavery, is enshrined in a number of our company policies including our Code of Conduct and Sustainability Commitment.
 - We have robust recruitment processes, including employment and right-to-work checks, ensuring employees are engaged appropriately and in compliance with applicable law.
 - Our contract management and procurement processes for external suppliers, services, materials and plant ensure all suppliers, subcontractors and agents are subject to appropriate pre-qualification, evaluation and assessment prior to any approval, engagement and contract execution.
- **COVID-19 Response:**
 - Covid-19 Safe Plans were developed and implemented across all sites including strict safety protocols in line with government requirements.
 - A comprehensive Business Continuity Plan was enhanced to include the impact and response to a suspected or confirmed outbreak of COVID-19 in the workplace.
 - We have maintained the highest health and safety protocols to ensure the safety of all employees, suppliers, customers, and sub-contractors. Although new suppliers introduced during this period were still subject to our thorough due diligence processes, this process had to be conducted entirely remotely.

Assessing the effectiveness of our actions

We recognise that the process of developing a robust and effective monitoring program on our modern slavery framework will mature over future reporting periods.

The key steps we have taken in this reporting period to provide a strong foundation to monitoring the effectiveness of our actions include:

- 1. Policy Framework:**
Periodic revision conducted on our policies, practices and processes to embed modern slavery risk management, remediation and grievance mechanisms.
- 2. Supplier Engagement:**
FMH Group recognises the need to build on its understanding, oversight and management of modern slavery risks within its operations and supply chains. Through our supplier compliance audit program, we can identify high-risk suppliers and support their journey to identify, assess and address modern slavery risks in their supply chains.

Key Areas of Future Actions

We are committed to refining our measures to assess and respond to modern slavery risks within our operations and supply chain.

To continually improve our approach, we are planning to undertake the following actions:

- **Modern Slavery Group:**
 - Establish a targeted cross-functional group that provides an appropriate platform to assign responsibilities and accountabilities, develop the roadmap for actions to be implemented and related reporting methodologies to assess its effectiveness.
 - Assess the maturity of our policies and internal frameworks, systems and controls and recommend decisive enhancements to support our long-term approach to managing modern slavery risks.
 - Develop a comprehensive supply chain map based on geolocation and nature of sourced products and services to assist us to further identify any potential exposure in our extended supply chain network.
 - Through the ongoing analysis of our supplier network, perform a more detailed risk assessment of our high-risk suppliers to identify their level of maturity in managing modern slavery risks. Enhance our existing due diligence and onboarding initiatives for carriers, extend due diligence initiatives to other suppliers and provide awareness training as required to bridge gaps in their modern slavery risk assessment.
- **Policies Framework:**
 - Introduce an outsourced whistleblower hotline as an avenue for incidents to be reported accompanied by relevant training sessions to promote the whistleblower policy.
 - Appoint a General Counsel to foster a compliant culture including in respect of Modern Slavery risk.
- **Modern Slavery Awareness:**
 - Develop and deliver training for staff within FMG Group entities

- Where applicable, extend the awareness training program externally, to suppliers and sub-contractors, to foster respecting human rights as a core element of doing business with FMH Group.
- **Supplier Engagement**
 - A baseline assessment to be conducted on our wider supplier network to identify our high-risk areas. These risk areas will help us prioritise our action plan and will underpin our ongoing modern slavery response.
 - Introduce targeted due diligence initiatives on high-risk selected suppliers to assess their current risk assessment practices towards modern slavery.
 - Continue to develop and expand our procurement policy, supplier due diligence and onboarding procedures to embed modern slavery risk management.

Our plans to enhance the measures we have already undertaken, as set out above in this Statement, support our pledge to effectively identify and address any potential risk exposure of modern slavery in our operations and supply chains as part of our ongoing modern slavery framework.

Consultation process

This joint Statement has been prepared in consultation with stakeholders from FMH and each of the subsidiaries through the creation of a working group and liaising with them in respect of the modern slavery risks. Each reporting entity's senior management is aware of the contents of this joint Statement.

This joint Statement was approved on 26 March 2021 by the Board of Directors of FMH and the Board of Directors of each FMH subsidiary that is a reporting entity. Simon Slagter, as a director of each reporting entity, was authorised to sign this joint Statement on behalf of FMH and its subsidiaries.



Simon Slagter
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Director, Flip Group Technologies Pty Ltd (ACN 607 246 042)
Director, efm Logistics Pty Ltd (ACN 144 895 607)
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Date: 26 March 2021