

Lineage Modern Slavery Statement

by Lineage AP Holdings Pty Ltd for FY20

1 Introduction

Lineage AP Holdings Pty Ltd (ABN 27 637 083 544) (**Lineage AP**) is the applicable reporting entity for the purpose of the *Modern Slavery Act 2018* (Cth) (**the Act**). Lineage has its head office and registered address at 100-130 Abbots Road, Dandenong South Victoria 3164 and its subsidiaries have operations in Australia, Sri Lanka, and Vietnam as a result of its acquisition of the Emergent Cold business in June 2020. Lineage is a wholly owned subsidiary of Lineage Logistics Holdings, LLC (Lineage), a global cold storage and logistics services company that operates in North America, Europe, and the Asia Pacific region (**AsiaPac**). This document constitutes the Modern Slavery Statement for Lineage under the Act and covers the period from 1 January 2020 to 31 December 2020.

Modern Slavery as defined under the Act comprises serious crimes including (but not limited to) forced labour, debt bondage, forced marriage, slavery, human trafficking, and the worst forms of child labour. The Global Slavery Index estimates that of the 40 million people living in Modern Slavery conditions worldwide, around 24.9 million of those people are based in the AsiaPac region.

Lineage is committed to evolving our practices to combat slavery and human trafficking and to taking steps to reduce the risk of Modern Slavery in our supply chains and operations in AsiaPac and globally.

2 Structure, Operations and Supply Chain

Lineage AP and its operating subsidiaries provide warehouse storage, handling, and transportation services to customers in all sectors of the marketplace including export. Lineage acknowledges that its core business as a cold storage and logistics company has the potential for Lineage to cause, contribute to or be linked to Modern Slavery via our operations and supply chains.

As noted above, Lineage AP and its subsidiaries operate within Australia, Sri Lanka, and Vietnam. Key operations include food storage, transport, processing, packaging and distribution, and the maintenance of office headquarters. Lineage AP has approximately 1700 suppliers across Australia, Sri Lanka, and Vietnam. Lineage AP employs around 800 people in Australia, 400 people in Vietnam and 70 people in Sri Lanka. In addition, Lineage engages in labour hire to support its operations, including around 200 people in Australia, around 80 people in Vietnam and around 40 in Sri Lanka.

Similar operations occur across Europe, New Zealand and the USA by Lineage's parent company, and its related entities.

At Lineage, our six values provide the foundation for how we conduct business and are key to helping us achieve our vision to be the most dynamic temperature-controlled logistics company in the world.



SAFE

- We implement and enforce safe work standards and best practices.
- We are responsible for our safety and the safety of others.
- We are committed to every Team Member returning home safely each day.

INNOVATION

- We understand that the needs and priorities of the customer come first.
- We will always look forward and plan for tomorrow.
- We welcome challenges and seek to solve them creatively and without boundaries.

TRUST

- We understand that each Team Member plays a position that is key to our success.
- We have integrity, following through on our commitments and delivering exceptional results.
- We expect and foster a fear-free work environment for all employees.

BOLD

- We seek understanding and clarity when the path forward is unclear.
- We embrace change and the challenges that come with it.
- We challenge norms, take informed risks, and make tough decisions.

RESPECT

- We put our shared interests ahead of any individual or team.
- We believe communication is key to ensuring an honest and positive experience.
- We act and treat each other with humility.

SERVANT LEADERSHIP

- We are positive and focus on meeting the needs of those we support.

- We actively coach and develop Team Members.
- We celebrate wins and recognize the success of both teams and individuals.

3 Policies and Code of Conduct

We have a Code of Conduct containing requirements and policies that apply to all officers, directors and employees controlled by Lineage within AsiaPac. This outlines minimum standards regarding Modern Slavery and establishes expectations and ethical standards. The Code of Conduct also addresses Modern Slavery through a commitment to the ILO Declaration on Fundamental Principles and Rights to Work.

Policies

Lineage Logistics Holdings, LLC also has a broad suite of global policies that set standards and expectations for Lineage employees, with focus on the rule of law and compliance, including:

- Human Rights Policy
- Environmental Policy
- Equal Employment Opportunity Policy
- Whistle-blower Policy and Guidelines
- Grievance Procedure Guidelines

4 Risks of Modern Slavery practices within operations and supply chains

Lineage's potential exposures to Modern Slavery run up and down its value chain. Modern Slavery risks lie both in its supplier relationships, but potentially also in its customer relationships as Lineage does not prepare or own many of the goods it stores and transports and has limited control as to the origin of the goods it stores and moves.

Lineage has identified a number of inherent exposure points within its operations and supply chain regarding Modern Slavery risks:

- **Food products:** The Global Slavery Index identifies fish (including deep sea fishing and seafood preparation) as the third highest product at risk of Modern Slavery imported into the G20 region, particularly by way of forced labour and debt bondage. Lineage moves and stores food products, including seafood and rice, which may be connected to Modern Slavery in these regions. While Australia has comparatively lower instances of Modern Slavery within the country, there have been reports of unauthorised recruitment firms and farmers engaging in debt bondage and deceptive recruiting particularly for seasonal workers around the fruit picking season.
- **Land transport and international shipping:** Different subsidiaries of Lineage have different arrangements with drivers. While some employ drivers directly, others engage with drivers as contractors. The Global Slavery Index reports that the transportation industry is vulnerable to human trafficking in many countries, particularly along regional arterial corridors.
- **Invisible workforce:** Cleaning, janitorial, construction and IT services are industries that form part of the invisible workforce of Lineage. The Global Slavery Index identifies laptops, computers, and mobile phones as the number one product at risk of Modern Slavery imported into the G20. Even though Lineage procures many of these services through contractors and other third parties, often with limited control over these supply chains, Lineage acknowledges that any suspected Modern Slavery practices by contractors or via procurement of IT goods still falls within Lineage's supply chain.

5 Due Diligence and Measures Taken to Assess Risks

Assistance from third party human rights experts

Lineage sought specialised assistance from a third-party human rights expert to obtain a baseline understanding of Modern Slavery risks within its supply chain. Lineage will continue to explore further ways in which an external auditor, industry group leader or relevant NGO may assist us in further our commitment to reducing the risks of Modern Slavery within our operations.

Having received the baseline Modern Slavery report in June 2021, Lineage is now in the process of undertaking the following steps across its business and entities at a local and global level:

- Introduction of a standalone Modern Slavery Policy and Ethical Sourcing Policy, with periodic reviews to ensure these policies are regularly reviewed to match the markets in which we operate.
- Strengthening our existing Code of Conduct, Human Rights Policy, and other standards relevant to Lineage's business.
- Conducting a review of standard supplier contract clauses globally to ensure a harmonious approach is being taken to reducing Modern Slavery practices within Lineage's operations and supply chains.
- Introduction of a global review process for suppliers, and open discussions on what procedures or actions are being taken to identify and manage Modern Slavery risks.

The day-to-day management of the development of these steps include participation from Procurement, Operations, HR, Legal, Risk and IT. Lineage acknowledges the need to integrate each Policy and action taken at a cultural level to ensure that all policies and updated commitments reinforce an ethical culture and environment that combats and maintains zero tolerance to Modern Slavery in its business operations and supply chains.

Complaints and grievance mechanism

With regards to the ongoing management of reports made via the complaints mechanisms, Lineage has a Grievance Procedure and Whistle Blower Policy to facilitate and protect the bringing of issues to our attention which are available on our Intranet.

We pledge to appropriately investigate any report. We also pledge that we will not retaliate against anyone for making a good faith report.

6 Consultation with subsidiaries

As part of our baseline Modern Slavery review and risk assessment, Lineage AP consulted with its subsidiaries in relation to reporting under the Act via meetings and email communication to discuss a coordinated response to, and assessment of, its Modern Slavery obligations under the Act.

7 COVID-19

Lineage acknowledges that the World Bank has estimated that an additional 88 to 115 million people were pushed into conditions of extreme poverty due to COVID-19. Lineage's response to COVID-19 included various safety protocols such as mandatory mask wearing, physical distancing and shift breaks to minimise physical contact as well as tracking activities and

sanitisation processes. We abide by all Government advice in the regions we operate in about the changing COVID-19 protocols. An ex-gratia payment was made to all employees in AsiaPac to assist with effects of reduced overtime and stresses of COVID-19 on individuals and in families.

8 Our future

This statement is a result of consultation and collaboration between many areas within Lineage, including Procurement, Operations, HR, Legal, Risk and IT and builds on our intention to continuously develop our understanding and management of Modern Slavery risks in our operations and supply chains. We are committed to responsible sourcing as a fundamental part of our commitment to maintaining the integrity of the food supply chain. Lineage is also committed to eradicating child labour, forced labour, and slave labour, and is in the process of taking efforts to ensure that our supply chain is free of human rights abuses.

Approved by:

This statement was approved by the board of Lineage AP Holdings Pty Ltd on 30 June 2021.



Jeff Hogarth
Director and Senior Vice President - AsiaPac
30 June 2021