

## FY21 Modern Slavery Statement

### 1. 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 2020 to 30 June 2021.

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 accept 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.





### 2. Our Structure, Operations and Supply Chain

FMH is a holding company with diversified interests across logistics services. Through the integration of our technology, people, and physical assets, we enable a truly efficient and sustainable supply chain.

FMH Group is comprised of three operating divisions: Fourth-Party Logistics (4PL), Technology, and Transport and Warehousing.

FMH has built up a diversified client base across a broad range of industries over the last 21 years. It provides a diverse range of services through the following subsidiaries:

Entity	Industry	Operations
 <p>NO BETTER EXPERIENCE</p> <p><b>efm Logistics Services Group Pty Ltd</b> 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"> <li>• Consulting</li> <li>• Solution Design</li> <li>• Data intelligence &amp; reporting</li> <li>• Transportation</li> <li>• Warehousing</li> <li>• Implementation</li> <li>• Management</li> </ul>
 <p><b>efm Logistics Services Group Pty Ltd</b> ACN 144 724 685 trading as efm Warehousing</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.

 <b>BagTrans Pty Limited</b> ACN 078 742 588	Logistics	A specialised national less-than-truck-load express pallet carrier servicing mainly the fast-moving consumer goods sector which comprises mainly Grocery, Retail and Pharmacy distribution centres. (acquired January 2021)
 <b>Niche Logistics Pty Ltd</b> ACN 122 953 833	Logistics	Specialist provider of East-West rail services and Full Truck Load (FTL) movements. (acquired December 2020)
 <b>Flemington Fields Pty Ltd</b> ACN 009 240 635	Logistics	Specialised general freight road carrier providing transit capability across the east west lane. (acquired 30 June 2021)
 <b>Flip Group Technologies Pty Ltd</b> ACN 607 246 042	Information Technology	Product and engineering software development company.

### Where we operate

FMH Group and its controlled entities are based in Australia.

### Where we source

The majority of goods and services that we procure come from suppliers and contractors based in Australia and New Zealand.

Our major categories of procurement include:

- Freight Carriers and Transport Companies
- Cleaning, Rubbish removal, Waste management services.
- Human Resources: Labour Hire agencies and Recruitment service providers
- Consultancy and Professional services
- IT: infrastructure, hardware, and software
- Hospitality: venue and entertainment hire, catering/food, and drinks
- Trucks and trailers used in transportation
- General equipment (i.e., forklifts, printers)

## 3. Risks of Modern Slavery in Operations and Supply Chain

FMH understands that its business activities could cause, contribute, or be directly linked to modern slavery practices. Reference to our business activities includes:

**Operations:** our direct operations of wholly owned subsidiaries including the employees and contingent workers who operate our business and the employment conditions under which they work.

**Supply Chain:** our suppliers of goods and services.

Management of risks, including those related to modern slavery practices, is underpinned by our Governance Framework and all of its related policies and procedures.

In FY21 we commissioned an external specialised Human Rights consultant to conduct a Modern Slavery Risk assessment to better identify where the risk factors of modern slavery may potentially exist and consequently prioritise related targeted actions within our operations and supply chain for further due diligence.

The external baseline assessment conducted on a selection of 100 suppliers provided insights to strengthen FMH Group’s year-on-year reporting under the Australian *Modern Slavery Act 2018* (Cth) and enable decisions on engagement and risk mitigation throughout the supply chain.

Combining geographic, product, service, industry, and sector risks to derive inherent supplier risk, the key findings showed:

- 1- Minimal geographic risk exposure: the assessed suppliers are registered and operate in lower-risk countries.
- 2- Potential risks emerged in specific supplier groupings such as:
  - o Cleaning, rubbish removal, and waste management: indirect employment being a key vector for labour issues including modern slavery.
  - o Freight Carriers including sub-contractors and agents: the industry holds a level of risk due to the layers of outsourcing which in turn reduces assurances and transparency of their own operations and supply chain.
  - o Labour hire agencies and recruitment services provide low-skilled temporary labour which is a high-risk industry in Australia.
- 3- Very few targeted concerns from the assessed suppliers, none standing out as having a notable or unique risk factor that requires immediate attention. Most risks within FMH Group’s supply chain and operations are by industry grouping.

**COVID-19**

We recognise the significant impact that the COVID-19 pandemic has had on the lives and livelihoods of people around the world. Increased demand pressures coupled with carrier warehouses’ shutdowns, workforce reductions, border closures, extended lockdowns have disproportionately affected supply chain workers and exacerbated their exposure to modern slavery and other forms of exploitation and harm.

The transport and logistics industry continued to be considered an essential service and as such, we could continue operating. As applicable, we initiated working arrangements enabling our teams to work remotely. With limited access to our sites, suppliers were still inducted to our organisation remotely without impacting the adherence to our policies and requirements regarding Modern Slavery.

**4. 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:

Area	FY21 Actions
Modern Slavery Group	<ul style="list-style-type: none"> <li>• A cross-functional group was established including representatives of all entities and key functions such as Legal, Procurement, People and Culture and Compliance.</li> <li>• The established group will assign responsibilities and accountabilities, develop the road map for action for future periods and ensure its implementation.</li> </ul>

<p><b>Policies Framework</b></p>	<ul style="list-style-type: none"> <li>A series of policies were introduced to further consolidate the Group's governance structure aimed to set the standard for good corporate citizenship in the logistics industry             <ul style="list-style-type: none"> <li><b>Modern Slavery Policy</b> establishing our commitment towards minimizing and preventing risks of modern slavery within our operations and supply chain and our intention of continuously strengthening our internal processes and awareness programs.</li> <li><b>Whistleblower Policy</b> refining framework for receiving, investigating, and addressing allegations that may not be uncovered otherwise. It included the introduction of an <b>outsourced whistle-blower hotline</b> enabling employees, suppliers, sub-contractors, and agents to report any unethical or unlawful conduct. Implementation and training in respect of the outsourced whistleblower policy was delayed to FY22</li> </ul> </li> <li>Appointment of Group General Counsel.</li> </ul>
<p><b>Training</b></p>	<ul style="list-style-type: none"> <li>A Modern Slavery awareness training package was developed and the roll out of training commenced with a focus on procurement and key operational positions including the executive team.</li> <li>Where applicable, the awareness training program was extended externally to suppliers and sub-contractors.</li> </ul>
<p><b>Supply Chain Assessment</b></p>	<ul style="list-style-type: none"> <li>A specialized consultant in Human Rights was engaged to conduct a comprehensive modern slavery risk assessment of our top 100 suppliers, and subsequently map them based on geolocation, type of product or service and industry.</li> <li>The baseline assessment aimed to identify our high-risk areas to help us better understand our supply chain and enhance the counter-slavery measures already undertaken, shaping the FY22 Actions to be implemented across all entities.</li> <li>A Modern Slavery Supplier Questionnaire was developed and implemented as part of the Contractor Management process.</li> </ul>
<p><b>Compliance</b></p>	<ul style="list-style-type: none"> <li>FMH supplier network was regularly reviewed as part of our internal due diligence and onboarding process.</li> </ul>

### COVID-19 Response

FMH and all of its entities have continuously monitored the development and impact of the spread of Covid-19 across all states in Australia.

Our comprehensive Business Continuity Plans were duly adjusted based on actual and potential risks of disruption identified (i.e., closure of state borders, impact and response to a suspected or confirmed outbreak of COVID-19 in the workplace), specific state requirements (i.e. lockdowns & vaccination requirements) ensuring appropriate mitigation measures were put in place.

To manage potential supply disruptions, we closely monitored our supply base to identify key risks such as site shut-downs, reduced workforce, and logistics delays to implement alternative options when required. During this time, we were able to rely on existing critical suppliers and avoid potential supply disruption whilst managing the risk of modern slavery practices within our supply chain.

FMH will continue to leverage the strong policies and processes it has in place to ensure the highest health and safety protocols are always adhered safeguarding the safety of all employees, suppliers, customers and sub-contractors.

## 5. Assessing the effectiveness of our actions

We remain focused on our commitment to improving our modern slavery approach over future reporting periods.

The key methods to assess whether our actions are appropriate and effective remain as follows:

**Policy Framework**

Ongoing review to ensure it remains relevant, adequate to its purpose and supports the proposed actions for the short, medium, and long term.

FMH Group has developed a solid governance foundation comprising policies and processes to help manage potential risks, including those related to modern slavery. These policies and governance principles capture the heightened emphasis on sustainable operations, responsible sourcing, and supply chain transparency.

**Supplier Engagement:**

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. This process will be also supported by the information gathered from the Modern Slavery Suppliers Questionnaires in line with the Procurement procedure.

The key focus for FY21 was the continued assessment of the Group’s supply chain to obtain a better understanding of the risk within the Group’s operations and supply chains. The focus for FY22 will be to build an established framework based on this modern slavery and supply chain data collected and once established, to develop tools to better assess the effectivelly of the framework.

**6. Key Areas of Future Actions**

In line with our continuous improvement commitment to refine our measures to assess and respond to modern slavery risks within our operations and supply chain, we have devised a framework of priority areas. This aims to support future initiatives to be implemented across FMH Group.

Over the next year, we will continue focusing on the work streams defined in FY21, with the goal of continuously embedding the commitment outlined in FMH Modern Slavery Policy across our business. Our FY22 and beyond priorities are set out below.

Priority Area	FY22 Actions
Governance	<ul style="list-style-type: none"> <li>Review the Procurement policy and related processes to embed our commitment to conducting purchasing activities in a fair, objective, and transparent manner.</li> <li>Develop and implement a Supplier Code of Conduct including our commitment to, and our expectations of, conducting business ethically and responsibly aiming to prevent modern slavery practices.</li> <li>Extend the Modern Slavery Group to any new key stakeholders within the organization to support the implementation of the actions included in our roadmap and assign responsibilities.</li> </ul>
Risk Assessment	<ul style="list-style-type: none"> <li>Engage with high-risk suppliers in the highest risk profile groupings to conduct a more comprehensive risk assessment of their frameworks to identify risks in their supply chains and support the identification of mitigation controls.</li> <li>Improve our process of assessing risk factors impacting our operations and supply chain and the related response strategy.</li> </ul>

<p><b>Due diligence</b></p>	<ul style="list-style-type: none"> <li>• Deploy and monitor the implementation of the Modern Slavery Supplier Questionnaire across all entities to assess supplier's policies, practices, and risks in regard to Modern Slavery. The data collected to be further analyzed over the next period to ascertain their level of maturity and as required continue providing awareness training.</li> <li>• Ensure suppliers understand their Modern Slavery obligations and FMH's expectations in line with FMH Modern Slavery Policies and Modern Slavery clauses embedded in supply contracts.</li> <li>• Develop protocols related to audits of suppliers where high exposure to the risks of modern slavery may exist to enable deeper analysis and validation of supplier practices.</li> <li>• Further embed supply chain due diligence processes to ensure modern slavery risks are considered.</li> </ul>
<p><b>Grievance and remediation</b></p>	<ul style="list-style-type: none"> <li>• Enhance our grievance mechanism and remediation processes</li> <li>• Provide external training on Whistleblower Policy and Whistleblower hotline to all staff across all entities.</li> <li>• Extend communication of our internal grievance and remediation mechanisms to external parties, as required.</li> <li>• Develop a corrective action process with suppliers for any modern slavery risks they encounter within their operations and supply chain.</li> </ul>
<p><b>Training</b></p>	<ul style="list-style-type: none"> <li>• Continue delivering the Modern Slavery Awareness training program to all new employees to help them understand FMH's approach and how they are expected to manage their interaction with high-risk groups.</li> <li>• Roll out the Modern Slavery awareness training to selected suppliers based on ongoing risk-assessment.</li> </ul>
<p><b>Monitoring and Reporting</b></p>	<ul style="list-style-type: none"> <li>• Identify key performance metrics to monitor the effectiveness of our actions.</li> </ul>

## 7. Consultation process

FMH and EFM Logistics Services Group Pty Ltd are considered reporting entities under the Modern Slavery Act. This Statement has been made on behalf of these two entities as well as all other controlled entities of FMH includes those detailed above and various subsidiaries that are non – operational or employee servicing entities.

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 30 November 2021 by the Board of Directors of FMH and on 06 December 2021 by the Board of Directors of each FMH subsidiary that is a reporting entity. Simon Slagter, as Group CEO was authorised to sign this joint Statement on behalf of FMH and its controlled entities.



Simon Slagter  
 Group CEO  
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