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Modern Slavery Statement

Financial Year Ending 30 June 2022

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Introduction

This statement is prepared and issued by Direct Couriers pursuant to the Australian Modern Slavery Act 2018 (“AMSA”). The following information will outline the risks of modern slavery, and the preventative measures taken within the company for the financial year ending in 30 June 2022. Unless otherwise specified, references to “Direct Couriers”, “Direct Couriers Group”, “we”, “us” or “our” refers to Direct Couriers Group Pty. Ltd, subsidiaries, divisions, and affiliates. This Statement was approved on 16 December 2022 by the Direct Couriers Board of Directors on behalf of all reporting entities in the Direct Couriers Group. The Statement in its entirety has been approved by the CEO, Mr. Garry Yovich.

“Modern Slavery and Human Trafficking of any kind is not welcome nor tolerated by Direct Couriers operations and extended supply chains. We will continue to take the necessary precautions to limit the risk of this issue occurring within, or having any association with our company.”

Garry Yovich
Direct Couriers CEO

Structure, Operations and Supply Chain

Direct Couriers is structured as a private company that operates in the transport, freight and logistics industry, providing a wide spectrum of courier and taxi-truck delivery services on a local, interstate and international scale as well as refrigerated transport services. Over thirty-eight years we have expanded across Australia with branches in Sydney, Melbourne, Brisbane, Perth and Adelaide, and Auckland in New Zealand. Our company employs over 240 office personnel and engages over 1200 company and sub-contractor drivers across the country who have all signed individual contract agreements with Direct Couriers. We have a

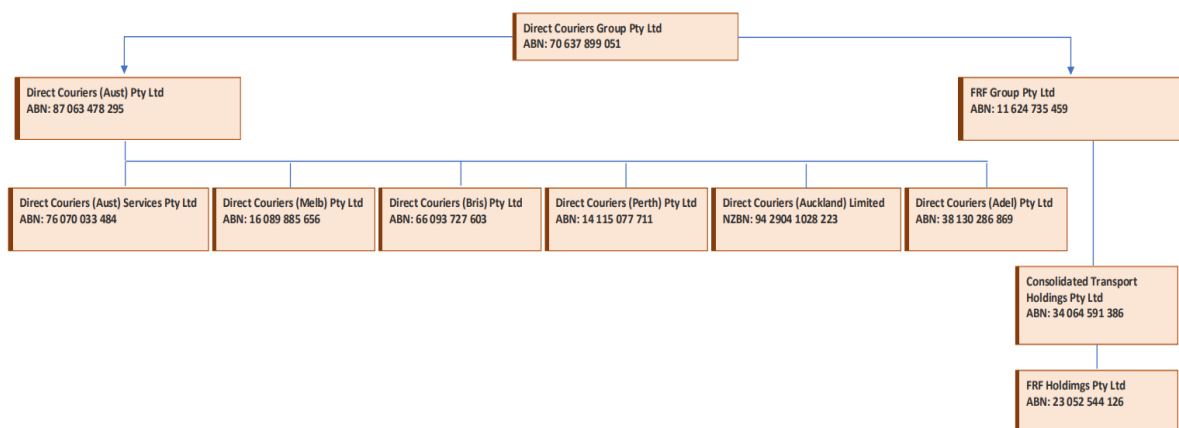
large fleet of vehicles for deliveries such as motorbikes, cars, vans, utes, trucks and semi-trailers. Direct Couriers clients differ across various industries including: e-retailers, healthcare, automotive, mining, distributors, printing and more. At Direct Couriers we strive to continually provide a service level above the expectation of our customers. Our mission is to provide a happy and prosperous environment for our staff and sub-contractor drivers.



Our group of companies (as per company structure listed below) has an annual consolidated revenue of over \$100m across the reporting period, therefore meeting the Act’s definition of a reporting entity.



Corporate Structure



Our supply chains include products and services sourced in Australia and overseas and extends beyond direct suppliers, for example:

- Procurement of uniforms and PPE (for our drivers)
- Procurement of office supplies, safety equipment, packaging, IT equipment and electronics
- Cleaning services
- Professional and business services
- Procurement of vehicles, mechanical, fuel and tyres
- Government licenses
- Transportation outsourcing and international service

Our Approach

At Direct Couriers we take the risk of modern slavery seriously and endeavour to have no association with perpetuating this issue. As a company, we are aware of the alarming rates in which modern slavery occurs in our society and acknowledge that we must be diligent in our policies and practices to reduce the risk. This is achieved through our operational, reporting and governance of issues relating to modern slavery.

What is Modern Slavery?

The AMSA defines modern slavery to include slavery, servitude, forced labour, debt bondage, forced marriage, trafficking in persons, deceptive recruiting for labour or services and the worst forms of child labour.

Modern slavery is a real risk globally, including in developed markets. We know that we could face a risk of involvement in modern slavery through our value chain, more specifically through our suppliers. Freedom from slavery is a human right and we incorporate our work on preventing and addressing any involvement in modern slavery into our broader human rights programme.

Our employees, sub-contractors and suppliers are required to follow our policies and standards including the following company policies and arrangements:

- Human Rights Policy
- Employment - recruitment, training, awards and contracts
- No Retaliation and Whistle-blower Policy
- Employee Code of Conduct Policy
- Supplier Code of Conduct Policy
- Risk Policy
- Sub-contractor agreements
- Selecting Suppliers Policy

The above documents were developed with reference to core international standards that also imply that we reject any form of modern slavery.

Assessing Modern Slavery Risks

We understand there is always the potential for modern slavery to occur within our business which is why we have set high ethical practices and standards across all of our operations and supply chains.

Direct Couriers has conducted a risk assessment of our business to help us understand where modern slavery risks may exist. The assessment was undertaken by a cross-functional team within our company comprising of management staff from our finance, procurement, IT, human resources, and operations teams. The assessment involved reviewing our internal operations and employment practices and a desktop review of our quantifiable spend on our supply chain.

Potential Modern Slavery Risks in Our Operations

While we have assessed the risk of modern slavery involving our direct employees as low, we recognise that our sub-contractor drivers may be more vulnerable to modern slavery, including where these workers are lower-skilled and/or temporary or migrant workers. Because we engage people from a variety of cultures, beliefs and backgrounds, we understand we could unknowingly contribute to modern slavery indirectly as workers

engaged may exploit people and or undertake non-compliance practices in their local community or country in which they came from.

To help mitigate and minimize the risk of modern slavery practices within our employee and sub-contractor driver workforce, we have implemented the following to ensure each worker is aware of their human rights and obligations:

- a) Contractual agreements which are designed in accordance with the Corporations Act 2001;
- b) Competency based training;
- c) Robust policy framework;
- d) Tool box communication reminders.

It is Direct Couriers aim moving forward that there is an open and honest dialogue in regards to the company's stance to all of our employees and sub-contractor drivers on modern slavery.

Potential Modern Slavery Risks in Our Supply Chain

We understand there may be a high risk of being directly linked to modern slavery through our supplier relationships.

Direct Couriers is committed to working with our suppliers and business partners to ensure they:

- Understand our expectations and requirements about Anti-Slavery practices in the workplace; and
- Are compliant with the Australian Modern Slavery Act (Cth) 2018 (the Act) and international laws.

In our recent management review our suppliers were categorised and assessed as high, medium or low risk for modern slavery practices based on the eight types of exploitable practices e.g

- Trafficking in persons
- Slavery
- Servitude
- Forced marriage
- Forced labour

- Debt bondage
- Deceptive recruiting for labour or services, and
- The worst forms of child labour

Supplier Risk by Category

Based on the management risk assessment review conducted this year, the below table highlights potential key modern slavery risk areas across our supply chain.

Risk Factor	Supply Category	Country of Origin	Potential Risk (s)
High Risk	Uniforms and PPE	China ¹	Child, migrant, forced and bonded labour, corruption, overtime and poor wages
High Risk	IT Hardware and equipment and services	Varied ²	Child, migrant, forced and bonded labour, corruption, overtime and poor wages
Medium Risk	Office supplies, safety equipment, packaging	Varied ³	Child, migrant, forced and bonded labour, corruption, overtime and poor wages
Medium Risk	Outsourced transportation outside Australia	Varied ⁴	Child, migrant, forced and bonded labour, corruption, overtime and poor wages
Low Risk	Facilities cleaning	Australia	Poor wages, excessive overtime
Low Risk	Outsourced transportation within Australia	Australia	Excessive overtime, poor wages, migrant exploitation
Low Risk	Fleet, tolls and fuel	Australia ⁵	Excessive overtime, poor wages, migrant exploitation
Low Risk	Professional and Business Services	Australia	Excessive overtime, poor wages, corruption
Low Risk	Government	Australia	Excessive overtime, corruption

¹ Uniforms and PPE purchased directly from an Australian supplier and manufactured overseas

² IT supplies purchased directly from AU suppliers where goods and services may be manufactured and imported from overseas

³ Office supplies purchased directly from AU suppliers that may be manufactured overseas

⁴ Overseas Transportation assessed as medium risk as our supplier is DHL

⁵ Vehicles purchased directly from Australian owned fleet companies who import vehicles and fuel from overseas

Setting Standards

The majority of our major transport supplier contracts now include specific modern slavery clauses. This year our compliance department issued a copy of the Direct Couriers Supplier Code of Conduct (“Code”) to each of our suppliers to ensure everyone in the chain:

- a) Understands the part we all can play in eradicating modern slavery; and
- b) Follows our company standards, expectations and guidelines.

We understand that terminating a supplier’s contract reactively may lead to suppliers withholding information and putting victims at greater risk. Therefore, Direct Couriers aims at maintaining transparency of issues and risks where modern slavery is identified, by working together with our suppliers and third parties to respond to and remediate modern slavery.

Terminating a contract should be a last resort, reserved for situations where, despite the repeated efforts by us, the supplier fails to engage in the required due diligence process or demonstrate a willingness to address modern slavery issues.

Direct Couriers has established reporting procedures where employees and third parties can report any concerns regarding unethical or illegal conduct, including in relation to modern slavery. We also have a No Retaliation and Whistle-blowers policy to encourage whistle-blowers to come forward with their concerns and protect them when they do.

We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks by partnering only with suppliers who agree to abide by the governing laws on modern slavery. We will audit the effectiveness through our training completions and assessments to ensure our workers understand their rights; and will conduct annual risks assessments to help prevent gaps in this area. Direct Couriers will also review our policies in relation to modern slavery, human rights, and employment practices annually.

Overall Spending Statistics

The majority of our spending (98.6%) occurs with direct suppliers located in Australia. Although, we acknowledge that goods and services supplied by our direct suppliers may not be manufactured in Australia and may be in jurisdictions that are at higher risk to modern slavery.

% of Spend	Services
43.27%	Transportation - AU
33.67%	Professional ⁶ - AU
9.37%	IT Supplies - AU
5.84%	Supplies - AU
3.63%	Mechanical - AU
2.36%	Government Services - AU
1.35%	Uniforms – O/S
0.46%	Cleaning Services - AU
0.05%	IT - O/S

Our Policies and Governance

Human Rights and Employment Policies

Our Human Rights and Employment Policies provides Direct Couriers employees and subcontractors with the fundamental rights of dignity and respect. We are committed to identifying, preventing and mitigating any infringement of human rights that result from or are caused by our business' operations.

Our company policies are accessible by all employees (management, office personnel, warehouse and drivers) through the Direct Couriers online staff intranet and internet. These policies are guided by both our company values and the international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

⁶ Professional suppliers include training external AU training providers

Forced Labour and Human Trafficking

Direct Couriers prohibits the use of all forms of forced labour, including slave labour and any form of human trafficking.

Child Labour

Direct Couriers prohibits the hiring of individuals that are under 18 years of age for positions in which hazardous work is required.

Work Hours, Wages and Benefits

Direct Couriers compensates employees competitively, relative to the industry and local labour market. We operate in full compliance with the Australian Fair Work and Industrial Relations Commission's employment laws such as the National Employment Standards (NES), industrial awards and the Courier and Transport Contract Determination instrument for our sub-contractor drivers.

Workplace Security

Direct Couriers is committed to maintaining a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal and external threats.



No Retaliation and Whistle-blower Policy

The No Retaliation and Whistle-blower policy is designed to encourage our workers to raise questions and report any violations that conflict or breach company policies. If they have concerns in regards to any of our human rights policies or procedures, then they are encouraged to report their concerns confidentially to management, the Human Resources

department and or externally to governing bodies such as the Fair Work Ombudsman, Industrial Relations Commission, Police, ABF, AFP, ASIC, APRA, ATO, the Dept of Home Affairs (as examples). This policy stresses that no worker will have reprisal or retaliatory action taken against them for reporting their concerns. This policy complies with the Corporations Act 2001 (Corporations Act) to protect whistle-blowers that come forward. Through this policy, it is our aim to encourage workers to report any human rights issues that relates to modern slavery by providing legal rights and protection. In response, Direct Couriers is committed to investigating, addressing and responding to the concerns of our workers and to taking appropriate corrective action for violations.

Supplier Code of Conduct Policy

It is our belief that modern slavery acts are abhorrent business practices that will not be tolerated in our own operations. Direct Couriers expects that our business partners and suppliers comply with all applicable law and regulations including anti-slavery, which is why we ensure each supplier is issued with a copy of our Supplier Code of Conduct Policy.

Training

All of our workforce including subcontractor drivers are our first line of defence in identifying and helping us address any instances of modern slavery. It is imperative they understand the key signs of modern slavery, particularly those colleagues most likely to be exposed to it. We are able to raise awareness through our employee and driver's online competency-based induction training and ongoing tool box messaging in regards to this topic.



Moving Forward

At Direct Couriers, we promise to fulfil our ethical, legal, and moral obligation to reduce the risk of modern slavery occurring within our group. We aim to achieve this by ensuring transparency in our values and actions in regards to this issue, both internally with our workers and externally with clients and suppliers. Our company understands that modern slavery is a complex issue and will continuously strive towards developing effective strategies to reduce the likelihood through our business' activities, both consciously and unconsciously.

We aim to collaborate with our suppliers especially those deemed as high risk. This statement will be reviewed annually.

The Direct Couriers Modern Slavery Statement can be found on our website for the public, our clients and suppliers viewing www.directcouriers.com.au



Garry Yovich

CEO

16 December 2022