

1. The Reporting Entity

This statement has been published and approved by Kerry Logistics (Oceania) Pty Ltd ('Kerry Logistics') (ABN 19 600 672 366) in accordance with the *Modern Slavery Act 2018* (Cth) ('the Act').

This statement outlines the steps which Kerry Logistics have taken during the financial year ending 31 December 2023 to identify and address modern slavery risks within our supply chain.

This is our third statement and reflects the next steps taken after our initial steps taken in 2021-2022 to recognise and address modern slavery risks in our business.

2. Structure, operations and supply chains.

Kerry Logistics is ultimately owned by Kerry Logistics Network Limited (KLN), a publicly listed company on the Hong Kong stock exchange. KLN and its group of companies (the "Group") is an Asia-based, global 3PL carrying out integrated logistics, international freight forwarding (air, ocean, road, rail and multimodal), industrial project logistics, to cross-border e-commerce, last-mile fulfilment and infrastructure investment. KLN is based in 59 countries spanning Mainland China, India, Southeast Asia, the Americas, Middle East and Europe.

The operations of Kerry Logistics in Australia consist of international freight forwarding, customs brokerage, warehousing and transportation;

- International Freight Forwarding – customs clearance, transportation of goods via air and sea for both imports and exports to/from Australia and unpacking and transportation at destination.
- Warehousing – storage of customers goods in third party warehouse, inward and outward goods management and inventory management.
- Transportation – inbound container pick up and delivery of customer goods via third party transport providers.

Kerry Logistics was established in 2014 and has offices in Sydney, Melbourne and Adelaide. The business had 50 employees as at 31 December 2023.

Kerry Logistics utilises a network of service providers and subcontractors who provide transportation and cargo handling services;

1. **Shipping Lines** – Kerry Logistics provides freight management services coordinating the purchase of space, both containerised (FCL) and non-containerised (LCL) for the international movement of various cargoes. Kerry Logistics acts as intermediary between cargo owners and the shipping lines.
2. **Airlines** – Kerry Logistics is an IATA Registered and RACA Security Accredited agent, providing customers with access to both passenger and cargo only aircraft for the international movement of cargo.

Depending on the applicable INCO terms agreed between the buyer and seller, this may or may not include additional services to transport, load or unload and or warehouse cargoes. Kerry Logistics is a licenced Customs Broker, holding an Authorised Arrangement with Department of Agriculture, Water and Environment (DAWR) to facilitate the smooth movement of cargo at the border with Australian Customs and Border Control authorities. We also hold an Australian Trusted Trader (ATT) accreditation which is a partnership with Australian Border Force providing our customers with compliant trade practices and a secure supply chain.

3. **Transport providers** – Kerry Logistics does not operate its own domestic transport fleet for movement of cargoes by road and utilises various transport providers across Australia to best match customers'

requirements for the pickup and delivery of international cargo. We carefully select reputable companies who have a strong track record of safety and compliance.

4. **Labour providers** – Kerry Logistics will from time to time utilise external labour hire companies to support additional requirements for the physical handling of cargo, typically related to the packing or unpacking of FCL containers, palletisation of loose cargo and loading or unloading of trucks. All labour providers are vetted to ensure quality, compliance and safety are paramount for all workers entering a Kerry Logistics site.

Kerry Logistics also have an extended offshore document processing team based in Manila, Philippines. This team consists of approx. 30 people and whilst not directly employed by Kerry Logistics, they are dedicated and critical labour to our supply chain. This supplier is committed to limiting the risk of modern slavery occurring within its own business, infiltrating its supply chains or through any other business relationship, and will only do business with organisations who fully comply with their Modern Slavery Policy, or those who are taking verifiable steps towards compliance.

3. Risks of modern slavery practices in Kerry Logistics' operations and supply chains

Our risk assessment of our suppliers considering the location and type of service provided;

3.1 Local Operations

All employees of Kerry Logistics are based in Australia. We therefore have a high visibility over their working conditions and the recruitment process. All employees are paid at award rates or above and working conditions are monitored. Any recruitment company fees and paid by KLO and are never recharged to the employee.

Employees undergo an extensive induction process which is signed off by their manager and also Human Resources. When employees commence, they are provided with the company policy manual which contains our policies on Whistleblowing, Anti bullying and Harassment, Grievance Policy and Anti-Bribery Policy.

Our Whistle blower Policy allows all workers and their families to identify and report genuine concerns about illegal conduct or any improper state of affairs pertaining to the Company, without fear of reprisals and with the option to remain anonymous. An externally managed Whistle blower Policy hotline is also offered for employees to report matters.

Consequently, we have deemed the possibly occurrence of modern slavery in our local operations as low risk.

3.2 International Carriers

Within our supply chain, our major suppliers are shipping lines. Vessel workers 'sea farers' are particularly at risk of modern slavery practices due to the remoteness and isolation of their work. Another contributing factor is the manner in which vessels are owned and managed with vessels not directly owned by the shipping line at higher risk of Modern Slavery practices.

Modern Slavery practices can include unreasonable overtime and working hours, lack of shore leave, lack of medical care, poor drinking water and food, bullying and harassment and isolation due to lack of communication such as internet.

Higher regulation of the shipping industry has, on face value, reduced risks of modern slavery however it is not considered to eliminate total risk.

Two key risk factors are identified;

i) Vessel Management

The competitive nature of the shipping industry and strict cost controls has led to some shipping lines outsourcing the operation of vessels to third parties. This delegation of control can lead to poorer

working conditions for sea farers from excessive overtime, lack of shore leave and poor quality food and water.

However, we note the level of risk can be reduced by shipping line policies to only use reputable carriers after conducting an assessment. Further, the largest supplier for Kerry Logistics took ownership of all vessels in 2022 and is now responsible for crew management which further reduces the risks associated with outsourcing.

ii) Geographic Location

Due to the global nature of shipping, there are operations in areas at higher risk of modern slavery due to political, social, cultural, and economic factors. Some nations may have corruption in governments as well as limited legal protections for employees and individuals seeking assistance.

There is also a higher risk of modern slavery practices within the shipping industry because international waters are not typically covered under by any national labour regulations.

In response to these risks, one key approach adopted by our top suppliers is employee education so there is more chance of spotting human rights violations. Further, having whistleblower policies to encourage employees to speak up if they see any evidence of Modern Slavery can also lead to the identification of risks and human rights violations which can be subsequently addressed.

Further, we found that one major supplier has commenced a mental health support program for its seafarers to combat the mental health issues that can be associated with long periods of isolation.

Regulation of the shipping industry has also been strengthened in recent years and includes;

1. Ensuring vessels have a valid Maritime Labour Certificate (MLC) which involves annual audit including inspection of vessel and interviews with all sea farers.
2. Establishment of the 'Neptune Declaration' which is a global declaration developed by the Maritime Industry Crew Change Taskforce that aims to recognise the essential worker status of sea farers, improve health care of sea farers, increase internet connectivity on board vessels and to also increase collaboration between ship operators and charters around crew changes. The Neptune Declaration also establishes best practice guidance for vessel charterers in operationalising the principles in the Declaration.

3.3 Domestic Transportation

We have assessed the likelihood of modern slavery like practices occurring in our domestic transport supply chain as being low. However, risks remain in respect to subcontractor drivers employed within the supply chain where there is a lack of control by Kerry Logistics over the conditions these subcontractor driver's are employed under. These risks are especially relevant for migrant workers.

3.4 Overseas based Labour Providers

Kerry Logistics outsources document processing tasks to a provider in Manilla, Philippines. We recognise that the Philippines is considered a high-risk geographical area for Modern Slavery practices. While the supplier does not have a published Modern Slavery statement, we have communicated directly with the supplier to understand their practise around limiting Modern Slavery and consequently, are comfortable that the risk is low.

3.5 Other Risks

Computer hardware suppliers and cleaning contractors are two other areas which Kerry Logistics has some involvement with that are deemed to be high risk industries for Modern Slavery. Likewise we also recognise that the provision of security services and uniforms have a higher risk of modern slavery due to the potential of

migrant worker exploitation and the geographic location of uniform production. However, given the limited exposure compared to the other groups of suppliers we have not undertaken any further analysis at this stage.

4. Actions taken to assess and address these Modern Slavery risks

4.1 Supplier Code of conduct

During 2023, KLO created and communicated a Supplier Code of Conduct. This code emphasizes a commitment to people first and communicates the expectation of its' business partners to carry out their business with integrity and in compliance with the Business Partner Code of Conduct, which is based on the Universal Declaration of Human Rights.

We commit to establishing a culture that respects all people and reflects the diversity of the communities in which we operate. We expect business partners throughout the global supply chain to respect human rights and jointly adopt the following key principles;

- Prohibit employment of underage children or forced labour or any form of physical punishment or abuse and take steps to ensure that slavery and human trafficking are not taking place in their organizations.
- Ensure no involuntary prison labour and any situation requiring employees to withhold their identity documents prior to commencing employment.

KLO will continue to adopt and apply systems and processes to assess and ensure Supplier's compliance with this Supplier Code, including seeking written confirmation from Suppliers of their acceptance and compliance. KLO may request suppliers to submit documentary evidence to verify compliance.

If a supplier has difficulty complying with the requirements of the Supplier Code, we may request they share the difficulty with us so we can work with suppliers to develop and implement corrective action plans where possible. However serious breaches or continued non-compliance with this Supplier Code may lead to KLO ceasing the commercial relationship.

4.2 Risk Assessment of Road Transport Providers

Australia has strict employment laws and the transport industry is highly regulated however we recognise the unique risks inherent with these suppliers. Where we use subcontractors for transport services there can be a lack of visibility over the employment practices the subcontractor has with drivers.

Migrant workers on temporary international student or bridging visas comprise a may work as truck drivers. Consequently, there is a risk of modern slavery practices such as recruitment fees which can create debts that are difficulty to repay. As per the Modern Slavery Index published by Walk Free, rights such as superannuation and leave entitlements can be withheld. As new residents of Australia, a lack of knowledge about working laws as well as language and cultural barriers can increase the risk of exploitation.

KLO utilizes a number of transport providers however 50% of services are provided by one company. This company is a large business with an advanced modern slavery policy and practices that include supplier screening, third party audits and over 90% of workers being employees on EBA's and recruited internally.

A majority of the other transport providers are also larger businesses with modern slavery processes in place.

As such we have deemed the risk of modern slavery practices within our transport providers to be low overall but we will continue to measure in coming years.

4.3 Australian Trusted Trader

KLO has Australian Trusted Trader accreditation with Australian Border Force which demonstrates that we comply with world supply chain security standards.

Customs processes are a first line of defence for Modern Slavery practices in Australia for illegal trade and human trafficking. This accreditation means that we have procedures in place to ensure the security of cargo, staff training and meeting of security standards.

4.4 Supplier Visits

During 2023, a number of key suppliers were visited. This is not only for modern slavery purposes but forms part of our supplier management generally.

Management visited our offshore service provider based in Manilla, Philippines. These visits provided key feedback from the supplier and also the workers on work tasks and the work environment to ensure they were of a high standard. These visits also gave us an opportunity to talk to the workers and receive feedback directly.

5. Assessing the effectiveness of Kerry Logistics' actions

Kerry Logistics is still in the early stages of Modern Slavery management. However, we take the risk of Modern Slavery within our supply chain as a serious matter and are committed to continuing to take steps to reduce the risk.

During 2023, we continued to develop our understanding of modern slavery risks in our supply chain and took a deeper look into specific areas. This study has continued to enforce our belief that our modern slavery risk is low.

However, we could further improve our efforts to reduce modern slavery in our supply chain by taking a more active approach to supplier communication. Communicating our supplier code of conduct was an effective first step however establishing a higher level of engagement will increase our understanding our supplier's business practices which will improve the accuracy of our risk assessment.

6. Future Commitments

In the next 12 months Kerry Logistics commits to address the following further actions towards reducing Modern Slavery risks in our supply chain;

1. Develop and implement KPIs in relation to our efforts to assess and address Modern Slavery risks in our operations and supply chains, so as to be able to better assess the effectiveness of our actions.
2. Develop a formal supplier selection policy.
3. Continue with modern slavery training for staff that are involved in supplier selection and performance review.

7. Consultation with entities of Kerry Logistics

This statement covers all relevant business units of Kerry Logistics (Oceania) Limited. All business units were consulted in the drafting of this statement.

This statement was approved by the board of Kerry Logistics (Oceania) Pty Ltd on 28 June 2024.

A handwritten signature in black ink, appearing to read 'Dawn Beck', written in a cursive style.

Dawn Beck, Director of Kerry Logistics (Oceania) Pty Ltd