



Statement on Modern Slavery and Ethical Procurement 2019-2020 Financial Year

Background

Under the UN Guiding Principles on Business and Human Rights, Supply Network has a responsibility to respect human rights, which includes action to prevent, mitigate and where appropriate remedy modern slavery in our operations and supply chains.

Supply Network must also comply with the Commonwealth of Australia Modern Slavery Act 2018, which requires us to publish annually a Modern Slavery Statement explaining our processes to assess and address the risks that modern slavery may be occurring in our operations and our supply chains. This is our first Statement.

The Act defines Modern Slavery as including eight types of serious exploitation:

- Trafficking in persons,
- Slavery,
- Servitude,
- Forced marriage,
- Forced labour
- Debt bondage,
- Child labour, and
- Deceptive recruiting for labour or services.

Statement on Supply Network Operations

Supply Network operates on many sites around Australia and New Zealand. We aim to profit through honest, lawful, fair and ethical business that benefits the lives of employees, contractors, customers and other stakeholders in our enterprise.

Supply Network acknowledges and complies with all applicable legislation covering wage rates and employment conditions and is committed to payment in full of all supplier invoices when payment falls due. We are also committed to the principle of “Safety First” and our operations must always ensure there is no compromise to the safety of any person through the pursuit of higher productivity and lower operating cost.

The eight defined forms of serious exploitation are expressly forbidden, and we seek to avoid any form of exploitation throughout our operations, including third party contractual arrangements.

Statement on Supply Network Supply Chain

Australian procurement and supply chain management is the responsibility of our Head Office Procurement Team based in Sydney. All New Zealand procurement is the responsibility of a smaller Procurement Team based in Wellington. The vast majority of New Zealand procurement follows the Australian supply chain and any new suppliers require approval from Head Office. This has allowed us to centralise responsibility for actions to minimise the impact of modern slavery throughout the Supply Network supply chain under our Head Office Procurement Team.

Our supply chain extends to many countries across all continents and we acknowledge the risk modern slavery may be present in this supply chain. We further acknowledge our responsibility to use procurement activity to support the elimination of modern slavery across borders. Without contradiction, we also recognise the economic benefits that our trade brings to regions where supply partners operate. Therefore, our first and most important objective is to raise awareness of our support for the elimination of modern slavery and to seek assurances that our suppliers have compatible standards and policies. Where those



assurances are unsatisfactory or where evidence indicates they are insincere or ineffective, we will move our procurement to suppliers who meet our standards.

We have divided our supply chain into two categories:

- global automotive manufacturers with strong procurement ethics, and
- regional manufacturers or their appointed trading house.

Each year we will document the assurances we seek into a standard questionnaire for all suppliers. This questionnaire will include:

- recognition of the main elements of the Commonwealth of Australia Modern Slavery Act 2018,
- confirmation there are no instances of serious exploitation within the supplier's operations and that they will seek similar confirmation from their suppliers,
- confirmation the supplier accepts responsibility to respect human rights, including those human rights listed under the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and
- Confirmation systems are in place to ensure minimum standards are met for workplace safety, rates of pay and conditions of employment.

Our Procurement Team will review responses and, where appropriate, investigate and seek further information to validate compliance. Greater attention will be given to the responses from suppliers falling under category "regional manufacturers or their appointed trading house" as this is where corporate governance may not be as robust and where risks of serious worker exploitation are considered higher.

Authorised by the Board of Supply Network Limited

A handwritten signature in black ink, appearing to be 'Geoff Stewart', written over a horizontal line.

Geoff Stewart
Managing Director