



# Custom Fleet's

Modern Slavery Statement  
for the Financial Year 2020

This statement is made pursuant to the  
Modern Slavery Act 2018 by the  
Custom Fleet Group for the financial  
year ending 31 December 2020.



This statement was approved by the  
Board of Directors of EFN (Australia) Pty  
Limited on 14<sup>th</sup> April 2021

A handwritten signature in black ink, appearing to read "Aaron Baxter", is written over a horizontal dotted line.

Aaron Baxter  
Chief Executive Officer  
Custom Fleet

# Table of Contents

1. Structure, Operations and Supply Chains of Reporting Entities	Page 3
2. Modern Slavery Risks	Page 4
3. Steps to Assess and Manage Risks	Page 5
4. Effectiveness of Our Actions	Page 5
5. Our Commitment	Page 6



# Structure, Operations and Supply Chains of Reporting Entities

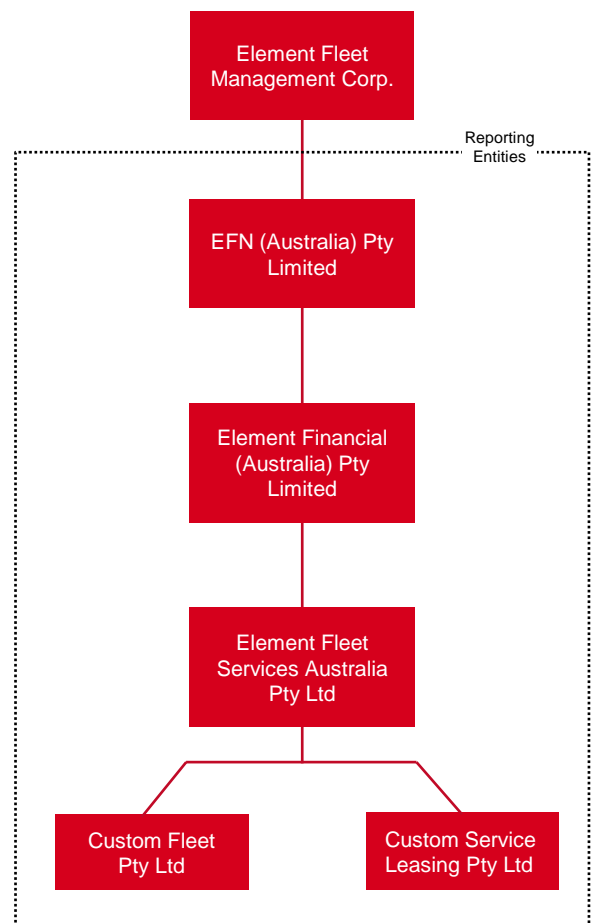
Custom Fleet is a leading fleet management and vehicle leasing company providing fleet management solutions including funding, acquisition, remarketing, maintenance management, commercial vehicle compliance, accident management and driver risk management services to customers in metropolitan and regional Australia for almost 40 years.

Custom Fleet's head office is based in Melbourne, Victoria. Our 2500+ customers are serviced by dedicated local sales, customer service and operation centres located in Australia and New Zealand.

The Custom Fleet Group is comprised of EFN (Australia) Pty Limited and its wholly owned Australia subsidiaries Element Financial (Australia) Pty Limited, Element Fleet Services Australia Pty Ltd, Custom Fleet Pty Ltd and Custom Service Leasing Pty Ltd. References to "Custom Fleet", "we", "us" or "our" are to the Custom Fleet Group. Custom Fleet Group is wholly owned by Element Fleet Management Corp., which is listed on the Toronto Stock Exchange. (TSX: EFN). The Board provides leadership and approves and monitors the strategic direction, risk management systems, values, business plans and policies of Custom Fleet Group to uphold corporate reputation and maximise value.

Our supply chain of approximately 3680 suppliers includes vehicle manufacturers and suppliers, Automobile component manufacturers and suppliers as well as suppliers in other supporting areas such as Information Technology, Procurement, and Marketing.

## Organisation Structure



# Modern Slavery Risks

In assessing the risk of modern slavery practices in Custom Fleet's own operations and its supply chain, Custom Fleet has made the following observations:

- Majority of Custom Fleet's staff are directly employed by Custom Fleet, and those staff that are not directly employed by Custom Fleet include contingency workers and fixed term contractors engaged through reputed recruitment agencies in Australia and New Zealand; and
- Significant percentage of Custom Fleet's supply chain operates solely in Australia and/or New Zealand.

Given Australia and New Zealand are considered to have low modern slavery risk (as per the Global Slavery Index), Custom Fleet assesses it has low risk of modern slavery practices in its own operations and in its supply chain.

Notwithstanding the above, we consider that there is a possibility that Custom Fleet's supply chain may contain the following risks of modern slavery practices given the industries that our supply chain cover:

- Deceptive recruiting for labour involving migrant or low-skilled workers
- Debt bondage involving migrant workers
- Child labour

An in-depth evaluation of these categories using risk factors such as supplier location, nature of the goods and services provided, level of control over the supplier and supplier's level of corporate governance has identified 5 supplier categories confluences our greatest risk exposure:

1. New vehicle Purchases
2. Fuel
3. Tyres
4. 3rd Party Services
5. Information Technology products and services
6. Automobile Glass



# Steps To Assess And Manage Risks



In assessing the risk of modern slavery practices in Custom Fleet's operations and supply chain, a risk matrix was developed and identified possible contributing factors to modern slavery practices.

These risks are:

1. industries and supply chains involving use of raw materials originating and manufacturing in high-risk countries; and
2. industries and supply chains receiving low skill work.

Based on our assessment, we consider the actual risk of modern slavery runs further down our supply chain and extend beyond our immediate suppliers with whom we directly deal with. In order to better understand the effectiveness of our assessment, Custom Fleet proposes to undertake due diligence of certain supplier categories in 2021 to obtain information that can improve the risk assessment and assist Custom Fleet to better assess the risks of modern slavery practices in its operations and its supply chain.

At Custom Fleet we will continue to manage the risks of modern slavery practices in our operations and supply chain by undertaking further due diligence and assessment of our supply chain as well as educating our staff and our suppliers on Custom Fleet's zero tolerance for any modern slavery practices.

## Effectiveness Of Our Actions

We note that this is the first modern slavery statement prepared by Custom Fleet and that the risk assessments undertaken in the preparation of this statement was based on public information and general guidance materials available to Custom Fleet. The effectiveness of such assessment will be enhanced with further due diligence and collection of data from suppliers, which we intend to undertake in 2021 in respect of certain supplier categories.



## Our Commitment

Custom Fleet has zero tolerance for any modern slavery and human trafficking in its operations or its supply chain and is committed to taking steps to improve supply chain transparency and understand any modern slavery practices existing in its operations and supply chain.



