



# Custom Fleet's

Modern Slavery Statement  
for the Financial Year 2021

This statement is made pursuant to the  
Modern Slavery Act 2018 by the  
Custom Fleet Group for the financial  
year ending 31 December 2021.



This statement was approved by the  
Board of Directors of EFN (Australia) Pty  
Limited on 21<sup>th</sup> April 2022

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Aaron Baxter

Chief Executive Officer

Custom Fleet

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# 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.

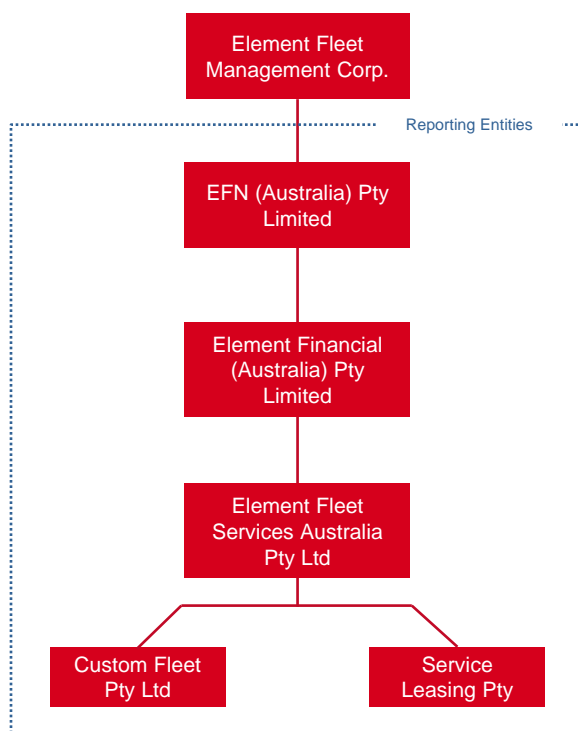
Custom Fleet's head office is based in Melbourne, Victoria. Our 2500+ customers are serviced by dedicated local sales, customer service and operation centres located in Australia and New Zealand.

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 directors 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, we have made the following observations:

- In respect of Custom Fleet's operations:
  - A significant majority of Custom Fleet's staff are employed directly by Custom Fleet on employment terms that have been reviewed to ensure compliance with employment laws;
  - Staff who are not directly employed by Custom Fleet, including contingency workers and fixed term contractors, are engaged through reputable recruitment agencies in Australia;
  - Except one case involving a senior personnel, Custom Fleet does not employ migrant workers under temporary worker visa scheme; and
  - Custom Fleet has in place a 'Speak Up' program which is annually communicated to all staff and can be used by staff to anonymously identify any misconduct, including modern slavery practices within our operations.
- In respect of Custom Fleet's supply chain:
  - Significant percentage of Custom Fleet's suppliers operate solely in Australia and are contractually required to comply with all applicable laws relating to their operations, including laws prohibiting modern slavery practices;
  - For suppliers with operations outside of Australia, Custom Fleet will only engage with reputable suppliers that contractually agree to

comply with all applicable laws relating to their operations, including laws prohibiting modern slavery practices.

Given Australia is considered to have low modern slavery risk (as per the Global Slavery Index) and cases of modern slavery in Australia have been predominantly in agriculture, construction, hospitality and food services, among others, which are unrelated to Custom Fleet's operations or supply chain, Custom Fleet's initial assessment is that its operations and supply chains have a low risk of modern slavery.

Notwithstanding the above, we consider that there is a possibility that Custom Fleet's supply chain may contain certain modern slavery risks because we do have suppliers in the tyre, manufacturing and IT industry, which have been traditionally considered as having medium to high modern slavery risks. It is therefore possible that the following modern slavery practices may exist in our supply chain:

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



# Steps to assess and manage risks

## Reporting incidents

In 2021, Custom Fleet reviewed its Whistleblowers Policy to specifically capture modern slavery practices as examples of reportable matters. The circulation of the updated Whistleblowers Policy was supplemented by the launch of a 'Speak Up' program/campaign which encouraged staff to raise (anonymously, if desired) any concerns about misconduct within its operations or its supply chain. The 'Speak Up' program and Whistleblowers Policy will be reviewed and circulated annually to ensure ongoing awareness for all staff.

## 2. Supplier due diligence questionnaire

To build on the desktop risk assessment described in our 2020 Modern Slavery Statement ("**2020 Statement**"), we carried out due diligence across a sample of 20 suppliers.

In determining which 20 suppliers to select, we:

- Referred to the modern slavery risk matrix described in our 2020 Statement to identify the industries with high modern slavery risks - tyres, manufacturers, fuel, IT and glass;
- Identified all suppliers operating in the above industries (a total of 1564 suppliers); and
- Chose those suppliers that accounted for 90% of our total spend with suppliers in the above industries.

In determining the scope and content of the due diligence questionnaire, we sought to understand:

- in which countries the supplier has operations;
- in which sectors the supplier operates in;
- whether the supplier employs low-skilled migrant workers;
- whether the supplier has a modern slavery policy prohibiting modern slavery practices;
- whether the supplier undertakes modern slavery due diligence to identify, prevent and mitigate modern slavery risks in its operations or its supply chain;
- whether the supplier provides modern slavery training to staff who have procurement responsibilities; and
- whether the supplier has a process for reporting modern slavery issues.

All suppliers responded to the due diligence questionnaire and demonstrated varying levels of maturity in their approach to identifying, preventing and managing modern slavery risks in their operations or supply chain.



## Effectiveness of our actions

The results of our Modern Slavery Supplier Due Diligence Questionnaire ("**Questionnaire**") can be recognised as a quantifiable measure of the effectiveness of our actions. The following key performance indicators were used to measure the effectiveness of our actions:

Key performance indicator	Result
Percentage of Questionnaires completed	100%
Percentage of suppliers that have identified or disclosed modern slavery practices in their operations or supply chain in their questionnaire response	0%

We believe that Questionnaires have limited effect in encouraging a supplier to identify or disclose actual instances of modern slavery practice and will review the measures we use to assess the effectiveness of our actions in 2022.

Due to the limited scope of suppliers we engaged, we note that for 2022, our intention is to extend the scope of our Modern Slavery Supplier Due Diligence Questionnaire to suppliers outside the top 90% of total spend and those who are in the second tier of our supply chain.

## Process of consultation

The Questionnaire, its scope and contents, were discussed and consulted on with the Chief Operating Officer and the Procurement Director. The contents of this statement have been reviewed and approved by the Board of Directors of each of the entities making up the Custom Fleet Group.



