

Border Express Pty Ltd Modern Slavery Statement

For the Financial Year ended 30 June 2022

With the introduction of the Australian *Modern Slavery Act 2018*, and emerging human rights due diligence legislation in Europe and Asia, awareness and scrutiny surrounding modern slavery risk is increasing. Stakeholders are urging organisations to assess their broader supply chains and higher risk vendors, uplift the internal skill and capability around modern slavery within the value chain, and ensure the issue is strongly embedded strongly within operations, policies and procedures.

Border Express acknowledges that modern slavery and human rights abuses are prevalent globally, particularly within the transport and logistics sector. It is imperative that collectively as an industry and as a national transport organisation, we build accountability and transparency around these issues. It is our duty to recognise our contribution to modern slavery risk and to implement the appropriate activities to address and prevent these circumstances from occurring. We are actively committed to the evolution of our modern slavery approach. We work to ensure that our standards and expectations around modern slavery are shared with our suppliers in an effort to eliminate any instances of labour abuses, slavery, or violations of human rights within the supply chain.

Border Express has been working with an external consultant to improve our modern slavery approach and strategy and enhance internal capability. We have developed and implemented a ten-phase approach in FY22 that included integration of modern slavery within our risk management framework and undertaking due diligence into a selection of our suppliers. We are now commencing supplementary phases, as recommended by the roadmap, in the current financial year to ensure continuous improvement to our approach. We are prioritising the uplift of our internal capability, and engaging with our vendors, agents, subcontractors and suppliers to build and share knowledge. It is our obligation to promote fair and decent working conditions and ensure our own operations and supply chains are free from risk.

This Modern Slavery Statement acknowledges our obligations in alignment with the international conventions and guiding principles. We strongly recognise the gravity of the issue of modern slavery both nationally, and globally, and we embrace the enactment of the *Modern Slavery Act* in Australia. This legislation has ignited valuable conversations across all sectors and promotes an increased awareness of the issue.

Border Express is looking forward to the evolving dialogue surrounding modern slavery and human rights, and the increased level of commitment and action from both our organisation, and our peers.



Tom Vukovic
Executive Chairman



Mark Luff
Director

Approved by the Board on: 24/11/2022 at 9:00am



Introduction

Modern slavery is a persistent and devastating issue that impacts all sectors and industries. It is defined as the severe and serious exploitation of individuals, and includes practices of human trafficking, slavery, servitude, and forced labour.¹ Victims of slavery are subject to circumstances of exploitation, coercion, threats and deception, and restricted freedom and liberty.²

In accordance with the Australian Modern Slavery legislation, the *Modern Slavery Act (Cth) (2018)* ('the Act'), Border Express Pty Ltd (ABN 82 000 533 880) discloses this Statement with the intent of describing the modern slavery risk that is present within our operations and supply chains. The Statement will also outline the actions and activities that have been undertaken and integrated into existing infrastructure, within the prior financial year, to address modern slavery risk.³

Border Express acknowledges that modern slavery is a material risk for both our organisation and our sector. Our organisation is actively developing and undertaking initiatives to eliminate all forms of human rights violations and instances of slavery from within our internal operations and our supply chain. It is imperative that our employees, contractors, and suppliers uphold and adhere to our high standards and expectations surrounding human rights and modern slavery.

This Statement is published by Border Express Pty Ltd ('Border Express') as the reporting entity and captures the financial year ending 30 June 2022.⁴

Structure, Operations & Supply Chain

Structure and Operations

With over 40 years as the largest Australian owned express freight company, Border Express occupies a vast, national network that captures all states and territories, and reach in both metropolitan cities and regional and rural towns. Border Express proudly offers 24/7 courier and logistics services, and operates under two distinct areas, being Bulk Express and Parcel Express. Bulk Express refers to our mass distribution services, whereas Parcel Express is our parcel delivery operation. Our branches are diversified across 16 metropolitan and regional locations, with our headquarters located in Tullamarine, Victoria.

Border Express employs 1,322 full time, part time and casual employees and approximately 250 sub-contractors, ensuring that the varying and emerging needs of customers are met. In terms of our fleet composition, our organisation operates over 1000 trucks, trailers, vans and prime movers.

Border Express does not own or control any other operating subsidiaries or business entities.

Below is a graphic that highlights each of the Border Express locations across Australia.

¹ Department of Home Affairs, *Criminal Justice*, Australian Government <<https://www.homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx>>.

² Department of Home Affairs, *Criminal Justice*, Australian Government <<https://www.homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx>>.

³ *Modern Slavery Act 2018 (Cth)*, s 3.

⁴ *Modern Slavery Act 2018 (Cth)*, s 5.

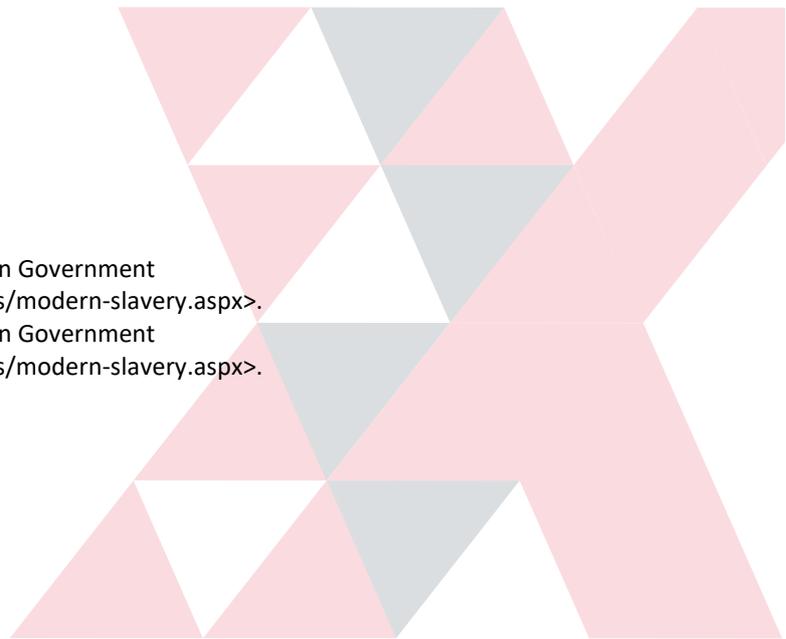
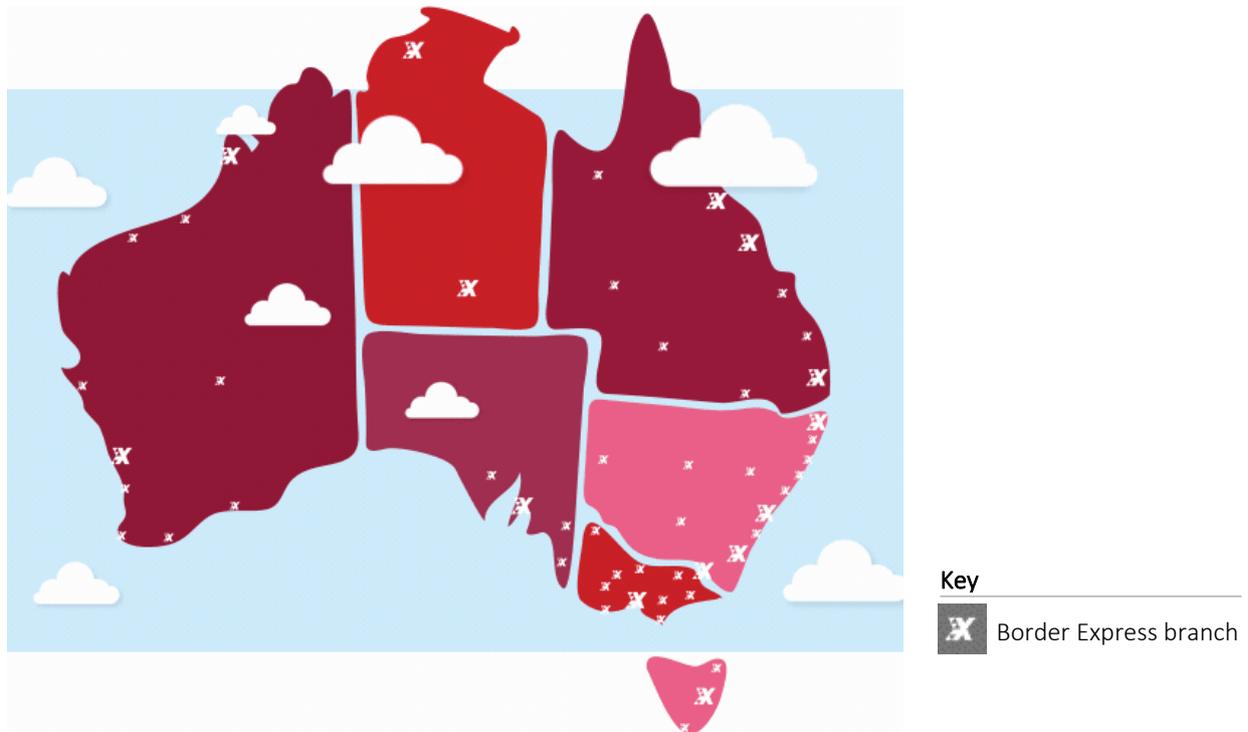


Figure 1: Border Express' National Network



As mentioned above, Border Express operates across two main service areas:

- Bulk Express
- Parcel Express

Bulk Express

Border Express operates a national door to door express freight transport service, facilitating mass distribution across metropolitan, regional and interstate regions. Border Express operates a large fleet of vehicles and holds branches in 17 locations across Australia, ensuring that our delivery services is efficient, widespread and can orchestrate any freight and distribution requirement for our customers.

Parcel Express

Border Express also facilities a National Parcel Delivery Services. It offers high quality and reliable parcel delivery operations for our customers, providing B2B freight transfer and delivery services to support the operation of Australian businesses. Border Express ensures that the services we deliver are affordable, efficient, and suitable for small business owners Australia-wide. We offer comprehensive range of package, box and satchel sizes for freight planning, as well as a number of B2B parcel transfer types for local distribution, express delivery and dangerous goods transportation.

Employees

Border Express has an extensive employee base in 17 metropolitan and regional and rural locations. Below is a breakdown of Border Express' employees across Australia.

Figure 2: Border Express' employee breakdown by employment type and location

Branches	Casual	Full Time	Part Time	Grand Total
Adelaide	27	48	3	78

Albury	8	84	5	97
Brisbane	59	107	7	173
Canberra	1	16		17
Central Coast		19		19
Coffs Harbour	1	3		4
Dandenong	98	58	3	159
Darwin	4	7		11
Geelong	4	5		9
Gold Coast	3	17		20
Mackay		4		4
Melbourne	130	187	10	327
Newcastle	3	21		24
Perth	15	66	3	84
Sydney/Chullora	106	177	11	294
Townsville	1	7		8
Grand Total	460	826	42	1328

Supply Chain

Border Express operates an extensive supply chain. In 2021, we engaged an external, independent consultant to conduct a supplier risk assessment. The findings indicated that we engage with over 1,400 individual vendors between Australia, New Zealand, United States and Lithuania. The overall risk level of our suppliers was predominantly 'Medium' or 'Low', with the country risk level primarily rated 'Low'. Our suppliers provide products and services to support the facilitation of our operations, and include the provision of:

- Paper products
- Insurance
- Wearing apparel
- Machinery and equipment
- Financial services
- Recreation and other services
- Cleaning services
- Motor vehicles and parts.

Border Express actively seeks to prioritise local and Australian suppliers; however, it is inevitable that some products and services are procured or sourced from offshore vendors, such as the manufacture of machinery required for the fleet. Border Express is taking steps to address risks specific to modern slavery and labour rights in the supply chain to ensure responsible practices are upheld and risks are eliminated where possible. The practices and actions have undertaken in the financial year with relation to supply chains will be outlined below.

Modern Slavery Risk in Our Operations and Supply chain

Due to the nature of our organisation and our sector, Border Express recognises our potential contribution to modern slavery instances within our operations and the wider supply chain.

Operations

Border Express understands that there is risk of modern slavery instances within operations through the use of labour or recruitment agencies. However, given Border Express operates on a national scale, and all of our

employees are based in Australia, this risk is relatively low. We acknowledge that as the organisation expands, the risk associated with labour increases.

Supply Chain

Border Express engages with a large network of suppliers, vendors, subcontractors and agents. With this, comes the risk that modern slavery or labour abuses are present within the suppliers' operations, particularly in high-risk geographies, high-risk sectors or vulnerable populations. As aforementioned, Border Express has conducted a supplier risk assessment on its full supplier list, as well as other actions and activities to minimise the risk of modern slavery within the supply chain.

Actions taken by Border Express to Assess and Address Modern Slavery Risk

Border Express contracted an external consultant to develop and implement a ten-phase strategy to uplift our capability to address and mitigate modern slavery risks within our operations and supply chain. The objective of this work was to enhance our approach to modern slavery, embed the risk within our internal and external policies and procedures, and assist with our overarching understanding of the risk. In the reporting period, Border Express conducted the final four phases of the strategy. An outline of the phases that were conducted in the financial year are outlined below.



Phase 7: Supplier Due Diligence

For this phase of work, in conjunction with the independent consultant, three high-risk suppliers were selected and due diligence was conducted. To gain a comprehensive understanding of the modern slavery risks the selected suppliers were exposed to, a comprehensive review was conducted. This involved desktop research and market scans, which sought to uncover any discrepancies or violations relevant to the sector or company. In the research, instances of potential labour violations, unsafe working conditions, and human rights abuses were found.

Phase 8: Supplier Engagement

Border Express developed Corrective Action Plans (CAPs) for the selected suppliers, following an assessment of their approach towards modern slavery. Border Express provided appropriate suggested corrective actions based upon the level of determined risk rating and the outcome of the assessment. Many of the responses to the assessments by the selected suppliers were deemed to be relatively low risk, however, each company had areas that received high risk ratings. This suggested that, for the most part, their practices aligned with better practice, however, in some instances, there are areas which should be addressed as they can exacerbate the risk of modern slavery.

Phase 9: Risk Management Framework

The objective of this piece of work was to ensure modern slavery and human rights risk were adequately incorporated into the Border Express risk management process and framework. Integration of the issue allows for the effective management and mitigation of modern slavery risk. Modern slavery risk has been identified as a significant risk for Border Express and thus it is critical it is incorporated throughout the internal risk documentation. Key recommendations included the addition of two risks to the risk register specific to modern

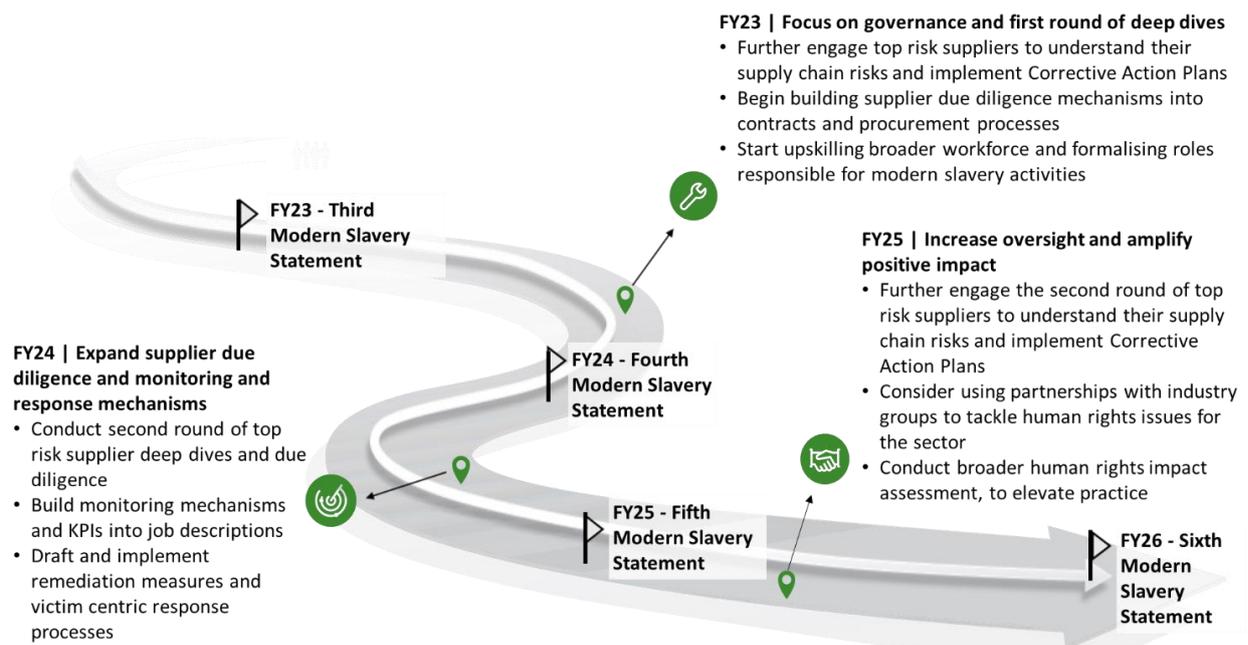
slavery risks and update a number of documents to ensure better consideration of modern slavery and human rights issues. A further recommendation was to implement new Key Performance Indicators (KPI) for relevant positions, as Border Express' management of modern slavery and human rights risk matures. Lastly, it was recommended to further embed modern slavery risks throughout internal policies and documents and provide education around modern slavery risk management.

Phase 10: 3-year Roadmap

Development of a modern slavery compliance roadmap enables us to be well positioned in our approach to modern slavery risk. It ensures Border Express' journey is continuously evolving and maturing. The objective of this phase was to derive a clear set of actions or activities that will aid our modern slavery approach and strategy. The roadmap was drafted utilising insights and outcomes derived from the previous phases of work. It highlighted how we can improve our approach to managing modern slavery and embedding it within our operations and supply chain.

The high-level three-year narrative is outlined below. The roadmap highlights the key activities Border Express should consider demonstrating sound compliance with relevant Modern Slavery legislation and regulations, and ongoing improvement year on year.

Figure 3: Border Express' Three-Year Narrative



Effectiveness of Actions

Border Express is continuously seeking to improve our understanding and internal capability around modern slavery risk. Although the initial ten-phase piece of work has concluded, Border Express is currently in the process of commencing a further four phase piece of work with an external consultant, and further uplifting the modern slavery strategy, and its integration into operations and supply chain. Our overarching objective is to pursue elimination of modern slavery instances and practices from within internal and supplier operations.

Our Future

As aforementioned, Border Express is commencing further modern slavery uplift work with the support of an external consultant. Our organisation is committed to continuously improving our practices in identifying,

assessing and managing modern slavery risk. In FY23, Border Express is engaging in additional phases of work, as prescribed by the roadmap, to allow our modern slavery journey to continue, and to allow our organisation to refine its focus and efforts each year. We will endeavour to work through a number of different areas within our organisation to ensure our response and approach is constantly improving and maturing. We acknowledge that the elimination of modern slavery is a continuous and evolving journey for both our organisation, and the sector.

This statement was approved by the Chief Financial Officer, Jason Thorley, and the Border Express Pty Ltd Board on 24th November 2022.

For any further enquiries on our modern slavery approach, or on our modern slavery statement, please contact Jason Thorley, CFO, at jasonthorley@borderexpress.com.au.



Jason Thorley
Chief Financial Officer
Border Express Pty Ltd

