

MODERN SLAVERY STATEMENT 1 July 2023 to 30 June 2024

Friesian and McColl's Transport: structure and operations

Friesian Pty Ltd (ACN 625 545 995) (**Friesian**) is the company that owns and operates the McColl's Transport business (**McColl's**). Accordingly, this statement will focus on the McColl's business.

McColl's Transport (www.mccolls.com.au) is a logistics company that has been operating for more than 70 years. It is the largest independent carrier in Australia of dairy, food and industrial chemicals. McColl's has a fleet of more than 250 prime movers and 750 bulk liquid tankers, based at 23 sites around Australia. McColl's plays a pivotal role in the bulk liquid transport infrastructure in Australia and employs approximately 550 people. Its head office is in South Geelong, Victoria.

McColl's has three divisions:

- **Farm Milk Collection:** transports milk from farms to dairy processing facilities;
- **Bulk Food Transport:** moves liquid food products between factories; and
- **Bulk Chemical Transport:** moves specialised chemicals between industrial users.

McColl's is a values-driven organisation and it is vital that McColl's personnel reflect our core values. To deliver a transport service unmatched in quality, safety and reliability, McColl's has fostered a company culture based on five core values:

- Safety first;
- Honesty and integrity;
- Consistency;
- Mutual respect; and
- Commercial responsibility.



To carry out its operations, Friesian has 100% ownership of 12 legal entities¹ within the Friesian / McColl's group (**FM Group**). This statement is reporting on behalf of all of these entities, who are listed in Appendix One. The most active of those entities include McColl's Operations Pty Ltd (ACN 630 416 867) and McColl's Equipment Pty Ltd (ACN 630 416 894).

The entities in the FM Group share common directors and officers, meaning that the

¹ As noted in Appendix One, five of the entities were deregistered during the reporting year and will not be referred to in future reports.

directors and officers are identical for each company in the FM Group. Further, the companies operate as a group and not independently. As such, the process of consultation with all members of the FM Group is to assess the FM Group's risk as a whole (because the obligations taken on by the FM Group are indistinguishable from any single entity), and then to ensure that the directors and officers are aware of their legal obligations, and that practices are applied consistently.

Friesian's supply chains

To deliver its services, Friesian has an extensive network of suppliers and subcontractors providing products and services, including prime movers and tankers, fuel, parts and maintenance, tyres, road tolls, cleaning services, property maintenance, recruitment and training, insurances, uniforms and personal protective equipment, professional services, utilities and IT software and hardware.

Context of this Modern Slavery Statement

Per the Australian Government's Attorney-General's Department: "Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour."

Friesian abhors and, if identified, would take a zero-tolerance approach to any form of Modern Slavery as defined by the *Modern Slavery Act 2018* (Cth) (**Act**) in its operations and supply chains. This position is supported by Friesian's approach to compliance, policies and values. Friesian's Board has empowered its management team to take all actions necessary to comply with the Act and to mitigate the risk of modern slavery within its operations and supply chains. One of the key outcomes of this has been Friesian continued commitment to vigilance regarding the risks of modern slavery, and cooperation and information sharing with industry partners and organisations within Friesian's supply chain.

As set out above, this Modern Slavery Statement covers the reporting period from 1 July 2023 to 30 June 2024.

Risks in Friesian's operations and supply chain

Over the last several years, Friesian has carefully considered the extent to which its operations or supply chains may cause, contribute to or link with modern slavery practices. This analysis – which is refreshed at least annually – has included a comprehensive assessment of the:

- number, industry, location and spend with particular suppliers;
- review of legal relationships with these suppliers;
- products or services procured; and

- overall consideration of the risks of modern slavery.

For context, Friesian only operates within Australia and had approximately 750 suppliers of goods and services during the reporting period. These suppliers are a mix of public and private companies, and sole-traders.

Friesian's most recent analysis again found that over 99% of these suppliers were either Australian businesses, or it was dealing directly with the Australian-based arm of a multi-national corporation. Accordingly, Friesian considers its geographic risk of modern slavery to be relatively low.

Further, to the extent possible, Friesian seeks to work with industry leading organisations that have commitments to fighting modern slavery that are at least as strong as Friesian. Friesian conducts due diligence on existing, and potential future, members of its supply chains to understand their position on modern slavery, how they manage its risk and their likely responses to it (if found). Given this, and the level of vigilance it has driven internally through training of key personnel, Friesian considers risks presented in the governance sphere are low.

Friesian's business and industry (primarily transport and logistics, though Friesian services the dairy, food and chemicals industries) has not substantially changed in this reporting period. Friesian's risks and key considerations are similar to previous reporting periods.

Following the analysis described above, Friesian considers that its inherent risk of causing or contributing to modern slavery are low. However, it proactively addresses a number of potential risks as set out below.

Among other steps taken to mitigate risk, Friesian continues to commit itself (through contracts with customers and key major suppliers) to upholding legally and ethically compliant practices, and reporting and managing any concerns of non-compliance. Again, Friesian did not report or manage any such concerns in the reporting period.

In the area of equipment manufacture, Friesian mitigates its risk as outlined above: by buying goods and services (to the extent possible) from organisations that have met Friesian's due diligence requirements, and that are comfortable to share information and partner with Friesian to work towards the eradication of modern slavery. This is an area of constant focus for Friesian given it can involve global supply chains.

Another specific area of high risk in the transport and logistics industry continues to be labour conditions. Consistent with its conduct over many years, Friesian mitigates this risk in a number of ways, including by continuing to:

- engage all employees on employment agreements that comply with the National Employment Standards, and regularly review these agreements through enterprise bargaining with the relevant Union, and for legal compliance with expert advisors;
- provide a safe environment for work, including comprehensive training on equipment and relevant policies, and ensuring compliance by all personnel engaged with our

business through periodic audits and/or performance reviews;

- hold accreditation in, and operate in accordance with, the Heavy Vehicle National Law (HVNL) and ensuring our staff, contractors and customers comply through periodic audits and performance reviews. Amongst other things, the HVNL sets standards around managing fatigue and use of heavy vehicles to promote the safety of all personnel engaged with our business;
- have written contracts with all regularly engaged transport sub-contractors that pass on our expectations, safety requirements, and all other required standards, and then auditing those contractors as required; and
- provide access to company procedures for complaint handling, including a confidential Whistleblower service for any complaints that personnel do not wish to handle through the company's ordinary procedures.

It's noted that contractors who perform work for Friesian are not directly controlled by it, and Friesian is therefore unable to have oversight over, or control, all working conditions at all times. In the case of truck drivers, whilst the percentage of work completed by contractors is relatively low (less than 10%), the nature of the work involves a degree of long-distance and remote operations. Friesian mitigates this risk through a range of controls (including, but not limited to, policies and tamper-proof electronic reporting), however there remains a risk, albeit low, that some workers may be victims of modern slavery.

Friesian considers there is greater risk that a business such as its may be linked to (rather than directly cause or contribute to) modern slavery practices through the activities of someone it has a business relationship with. In particular, Friesian accepts that there is higher risk where products are sourced from particular industries (for example uniforms / textiles) or other countries (for example where conflict or governance standards have created weaker regulation and/or poverty).

Following analysis, Friesian considers there are some steps it can take to further minimise the risk of modern slavery in these areas of its supply chain. These are addressed below.

Steps taken or proposed to address risks in Friesian's operations and supply chain

In previous reporting periods, Friesian has assessed its baseline risks and sought to ensure that key areas within its direct control were addressed. It has also undertaken exercises to discover risks within its contractor network, and it has adopted a Modern Slavery Policy that binds all employees, representatives, contractors and sub-contractors to:

- act ethically and with integrity in all business dealings to prevent modern slavery from occurring in the business and supply chains;
- comply with the Act and other relevant legislation;
- participate in reporting (to the extent applicable) under the Act; and

- immediately report to the Company's senior leadership team if any concerns of modern slavery are identified within our operations or supply chain, and/or to the Company's STOPLine (Whistleblower service).

In this reporting period, Friesian has continued to:

- train key personnel responsible for our operations and management of supply chain in the optimal way to identify and minimise the risk of modern slavery;
- seek positive compliance statements from contractors to ensure there is a meaningful, binding commitment to Friesian to maintain compliance; and
- review modern slavery compliance of its sub-contractor fleet;

Over the next reporting period, Friesian has determined that it will aim to:

- Evolve the key personnel training to ensure that they can identify any latent or new risks of modern slavery in Friesian's supply chains;
- Complete its a modern slavery compliance audit of Friesian's sub-contractor fleet;
- Continue its engagement with major suppliers in industries of greater potential risk to understand how they manage modern slavery risks and to seek confirmation of compliance with legal standards. As noted above, heavy vehicle equipment supply has been a key area of focus, whilst others may include;
 - tyres, repairs and maintenance;
 - uniform supply; and
 - facility maintenance, including cleaning, building and yards.

Friesian will assess the effectiveness of its actions through compliance audits of suppliers (where deemed appropriate), procurement reviews, deeper education and growth of industry awareness. The potential impact of modern slavery on our operations and supply chain is monitored and reviewed regularly by Management, and reported to the Board.

This statement has been approved by the Board of Friesian Pty Ltd.



Simon Thornton
CEO and Managing Director
16 December 2024

Appendix One – Friesian / McColl's Group Entities

This Modern Slavery statement is made on behalf of the following entities.

1. Friesian Pty Ltd ACN 625 545 995
2. Friesian McColls Pty Ltd ACN 625 547 588
3. McColl's Operations Pty Ltd ACN 630 416 867
4. McColl's Equipment Pty Ltd ACN 630 416 894
5. McColl's Group Holdings Pty Ltd ACN 105 314 609
6. McColl's Transport Pty Ltd ACN 052 199 167
7. McColl's Transport (Equipment) Pty Ltd ACN 052 968 260
8. McColl's Tankers Pty Ltd ACN 081 354 529
9. *Prestige Tankers Pty Ltd ACN 077 696 327
10. *Pure Logistics Cold Chain Pty Ltd ACN 000 437 856
11. *McColl's Plant & Equipment Pty Ltd ACN 105 314 823
12. *McColl's Northern Victoria Dairy Pty Ltd ACN 616 444 510
13. #McColl's Services Pty Ltd ACN 096 000 832

* Entities were deregistered by ASIC on 15 May 2024.

Entity was deregistered by ASIC on 22 May 2024.