

MODERN SLAVERY STATEMENT
1 July 2019 to 30 June 2020

Introduction to Friesian and McColl's Transport: structure and operations

Friesian Pty Ltd (ACN 625 545 995) (**Friesian**) was formed in 2018 by a group of private investors to buy McColl's Transport (**McColl's**). For the relevant period, and to date, the sole investment that Friesian has made is to purchase McColl's. Accordingly, this statement will focus on the McColl's business.

McColl's Transport (www.mccolls.com.au) started operations with a single truck in 1952. Today, McColl's is a modern logistics company and the largest independent carrier in Australia of dairy, food and industrial chemicals.

McColl's has a fleet of more than 200 prime movers and 650 bulk tankers based at 21 sites around Australia. McColl's plays a pivotal role in the bulk liquid transport infrastructure in Australia and employs 500 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 – transports 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 11 legal entities within the Friesian / McColl's group. This statement is reporting on behalf of all of these entities. The most active of those entities include McColl's Transport Pty Ltd (ACN 052 199 167), McColl's Operations Pty Ltd (ACN 630 416 867) and McColl's Equipment Pty Ltd (ACN 630 416 894). The entities share common directors, meaning that the directors are identical for each company in the group.

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 Department of Home Affairs: "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) in our operations and supply chains. This position is supported by our approach to compliance, our policies and values.

As set out above, this Modern Slavery Statement covers the reporting period from 1 July 2019 to 30 June 2020.

Risks in Friesian's operations and supply chain

Friesian has carefully considered the extent to which it may cause, contribute to or link with modern slavery practices. This analysis 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 950 suppliers of goods and services during the reporting period. These suppliers are a mix of public and private companies, and sole-traders.

Our analysis found that 99.9% of these suppliers were either Australian businesses or we were 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.

Following analysis, Friesian considers that its risk of causing or contributing to modern slavery are low. Among other steps taken to mitigate this risk, Friesian has regularly committed 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. In the reporting period, Friesian did not report or manage any such concerns.

One specific area of high risk in our industry is labour conditions. Friesian mitigates this risk in a number of key ways, including by:

- engaging all employees on employment agreements that comply with the National Employment Standards;
- providing a safe environment for work, including training, and ensuring compliance by all personnel engaged with our business;
- operating in accordance with the Heavy Vehicle National Law (**HVNL**) and ensuring our staff, contractors and customers comply. 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;
- having 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
- providing 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.

However, we note 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. This is particularly the case given the nature of our business. Therefore there remains a risk, albeit low, that some workers may be victims of modern slavery.

Friesian accepts there is greater risk that a business such as ours may be linked to (rather than directly cause or contribute to) modern slavery practices through the activities of someone we have a business relationship with. In particular, we accept 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

During the reporting period, the focus was principally on assessing the baseline risk and ensuring that key areas within Friesian's direct control were able to be addressed.

Specifically, this meant assessing our contractor network for compliance and determining where our focus should be directed for the future. Our capacity to take further steps in the reporting period was compromised due to the impacts of COVID-19 and the focus on maintaining the company's core operations.

Friesian has determined that it will aim to take the following steps over the next reporting period:

- Creating a Modern Slavery Policy to formalise Friesian's position against modern slavery, with the intent that this will form part of our workplace policies applicable to staff, contractors and suppliers;
- Train key personnel responsible for our operations and management of supply chain in the risks of modern slavery and methods to manage relationships (formally and informally) to minimise those risks;
- Seek positive compliance statements from our sub-contractor fleet, varying contracts to ensure there is a meaningfully legal commitment to Friesian to maintain compliance;
- Engage 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. Our areas of focus may include;
 - uniform supply;
 - repairs and maintenance;
 - facility maintenance, including cleaning, building and yards;
 - tyres; and
 - equipment supply.

Friesian will assess the effectiveness of our actions through procurement reviews, deeper education, growth of industry awareness, and audits of suppliers where necessary. The potential impact of modern slavery on our operations and supply chain will be 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
31 March 2021