

FY22 Modern Slavery Statement

1. Introduction

This Statement describes the actions taken by Freight Management Holdings Pty Ltd (ACN 144 724 532) (**FMH**) and its controlled entities (**FMH Group**) to assess and address modern slavery in its operations and supply chains in compliance with the Modern Slavery Act 2018 (Cth) (**Modern Slavery Laws**) for the reporting period 1 July 2021 to 30 June 2022.

Modern slavery involves the most serious forms of exploitation and includes human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

FMH and all its subsidiaries do not accept any form of human rights abuse, including modern slavery. It expects all employees, suppliers, and subcontractors to uphold a culture of integrity, honesty, and commitment to ethical labour.

We remain committed to strengthening our governance framework to minimise and prevent risks of modern slavery.






2. Our Structure, Operations and Supply Chain

FMH is a holding company with diversified interests across logistics services. Through the integration of our technology, people, and physical assets, we enable a truly efficient and sustainable supply chain.

FMH Group is comprised of three operating divisions: Fourth-Party Logistics (4PL), Technology, and Transport and Warehousing.

FMH has built up a diversified client base across a broad range of industries over the last 22 years. It provides a diverse range of services through the following subsidiaries:

Entity	Industry	Operations
 <p>NO BETTER EXPERIENCE</p> <p>efm Logistics Pty Ltd (formerly efm Logistics Services Group Pty Ltd) ACN 144 724 685</p>	Logistics	<p>Logistics as a 4PL provider, efm provides a diverse range of logistics and supply chain services to customers, including:</p> <ul style="list-style-type: none"> • Consulting • Solution Design • Data intelligence & reporting • Transportation • Warehousing • Implementation • Management
 <p>efm Logistics Pty Ltd (formerly efm Logistics Services Group Pty Ltd) ACN 144 724 685 trading as efm Warehousing</p>	Logistics	<p>As a 3PL provider, efm provides tailored warehousing solutions covering a diverse range of services including contract warehousing, pick and pack, storage, and distribution.</p>

 BagTrans Pty Limited ACN 078 742 588	Logistics	A specialised national less-than-truck-load express pallet carrier servicing mainly the fast-moving consumer goods sector which comprises mainly Grocery, Retail and Pharmacy distribution centres. (acquired January 2021)
 Niche Logistics Pty Ltd ACN 122 953 833	Logistics	Specialist provider of East-West rail services and Full Truck Load (FTL) movements. (acquired December 2020)
 Flemington Fields Pty Ltd trading as GKR Transport ACN 009 240 635	Logistics	Specialised general freight road carrier providing transit capability across the east west lane. (acquired 30 June 2021)
 Andromeda Nominees Pty Ltd trading as Formby Logistics ACN 071 818 061	Logistics	Specialised general freight provider servicing the Bass Strait and Western corridor (acquired 01 March 2022)
 Flip Group Technologies Pty Ltd ACN 607 246 042 and Flip Technologies Pty Ltd ACN 607 245 956	Information Technology	Product and software development engineering company.

Note: FMH acquired the Spectrum Transport business on 30 June 2022 and accordingly will be included in activities for FY23. Spectrum Transport is a specialist carrier providing B2B metro distribution in Brisbane, Sydney, and Melbourne with a focus on FMCG products.

Our values

At FMH Group’s core, we are driving long-term value through our disruptive business model by finding new and better ways to optimise the end-to-end customer experience, whilst acting ethically and responsibly.

“At FMH Group, we promote a culture of integrity and take seriously our social and environmental responsibilities. We believe that we have an obligation to our customers, our team members, our partners across the supply chain and the environment to operate our business sustainably.”

Our core values are:

1. We don't compromise on safety	2. Do the right thing, always	3. What we do, we do well	4. Customer-led growth	5. Respect tomorrow	6. Think big
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Where we operate

FMH Group and its controlled entities are based in Australia.

Where we source

The majority of goods and services that we procure come from suppliers and contractors based in Australia and New Zealand.

Our major categories of procurement include:

- Freight Carriers and Transport Companies
- Cleaning, Rubbish removal, Waste management services.
- Human Resources: Labour Hire agencies and Recruitment service providers
- Consultancy and Professional services
- IT: infrastructure, hardware, and software
- Hospitality: venue and entertainment hire, catering/food, and drinks
- Trucks and trailers used in transportation
- General equipment (i.e., forklifts, printers)

3. Risks of Modern Slavery in Operations and Supply Chain

FMH apply a systematic approach to risk management and compliance, including those related to modern slavery practices, in alignment with our Governance Framework.

The methodology to manage modern slavery risks in our operations and supply chain comprises:

1. Assessing modern slavery risk factors for our operations and supply chain by analysing the responses from our vendors SAQ (Self-Assessment Questionnaires)
2. Based on risk, prioritising focus areas for further engagement and due diligence.
3. Addressing the risks of modern slavery practices, as identified.
4. Reviewing the effectiveness of our actions to improve the overall process.

FMH understands that its business activities could cause, contribute, or be directly linked to modern slavery practices. Reference to our business activities includes:

Operations: our direct operations of wholly owned subsidiaries including our employees who operate our business and the employment conditions under which they work.

Supply Chain: our suppliers of goods and services including labour hire workers.

In FY22 FMH engaged an external consultant to support the development of the ESG (Environmental, Social and Governance) strategy and framework. This roadmap for action, curated in alignment with best practice frameworks and global principles such as the United Nations Sustainable Development Goals (UN SDGs), further embeds our commitment towards Responsible Supply Chains and Human Rights, amongst other key material topics.

As part of this holistic approach to sustainability, and in alignment with our core purpose *“to enable a truly efficient and sustainable logistics ecosystem through the integration of our cutting-edge technology, people and physical assets”*, we have identified ESG critical short- and long-term goals, including reflecting those related to identifying and mitigating risks factors of modern slavery.

The external baseline assessment of modern slavery risks conducted in FY21 drives the methodology and identification of high-risk procurement categories. With a deeper understanding of our supply chain, we can steer our continuous engagement efforts on risk mitigation. We acknowledge that, while we have made steady progress since our first statement, there is still work to do to gain thorough insight of all risks associated to modern slavery practices within our operations and supply chain.

Our assessment methodology combines geographic, product, service, industry, and sector risks to derive inherent supplier risk. The key observations for this year reveal:

- 1- Minimal geographic risk exposure due to all assessed suppliers registered and operating in lower-risk countries such as Australia.
- 2- High-risk supplier categories remain as:
 - Cleaning, rubbish removal, and waste management.
 - Freight Carriers including sub-contractors and agents: heightened level of risk related to the various layers of outsourcing, diminishing their oversight and control mechanisms within their own operations and supply chain.
 - Labour hire agencies and recruitment services providing low-skilled temporary labour continues as a high-risk industry in Australia as a tough labour market being a key driver for labour issues including modern slavery risks.
- 3- Further insights required on suppliers of corporate clothing, uniforms, personal protective equipment (PPE) and renewable energy products and components (e.g., solar modules, lithium batteries, etc) to ascertain risk level based on country of origin, and therefore implement the corresponding mitigating actions.

From the current vendor mix, most risks within FMH Group’s supply chain and operations remain linked by industry grouping, and as such drives our assessment focus.

COVID-19

The impact of COVID-19 on people and business around the world has unfortunately continued throughout 2022.

Disruptions to supply chains across the country, lockdowns in some of the states and workforce absenteeism due to COVID have continued to affect the operational landscape, thus increasing the risks of encountering modern slavery practices and other forms of exploitation.

As a transport and logistics business we continued to operate under the guidance of our comprehensive Business Continuity Plan. As required, specific actions were enacted including masks policies, heightened hygiene and work from home measures to minimise the risk of infection, due diligence and supplier inductions were conducted remotely in accordance with our policies and processes, contingency plans were implemented in close collaboration with Labour hire and recruitment companies to respond to staff shortages and limit the pressure on our existing workforce. We ensured risks linked to the evolving supply chains and changing workforce landscape were identified and addressed as appropriate.

4. Actions taken to assess and address Modern Slavery risks

Each year we renew our commitment of building understanding and capabilities, as well as engagement levels and transparency with all of our suppliers. The key initiatives completed during FY22 are listed below:

Priority Area	FY22 Actions
Governance	<ul style="list-style-type: none"> • Modern Slavery Group: regular engagement to set expectations, review the roadmap for action and its implementation progress, define the initiatives for FY23 and partake in the consultation and approval process of the FY23 Modern Slavery Statement. • Implementation of the Whistleblower Policy and the introduction of an outsourced whistle-blower hotline enabling employees, suppliers, sub-contractors, and agents to report any unethical or unlawful conduct. • Commenced revision of the procurement policy, and related processes including a supplier relationship management system to embed our commitment to conducting purchasing activities in a fair, objective, and transparent manner. This will be the focus in FY23, in line with the broader initiatives encapsulated in the ESG Strategy and Framework

	<ul style="list-style-type: none"> Implementation of the Modern Slavery SAQ (Self-Assessment Questionnaire) for new vendors; for existing vendors it is based on the contract renewal cycle in alignment with our Contractor Management process. Embed compliance by incorporating, where practicable, Modern Slavery requirements and obligations, as well as audit enforcement provisions into our supplier contracts.
Risk Assessment	<ul style="list-style-type: none"> Resulting from the FY21 Supplier Risk Assessment, twenty-five (25) high-risk suppliers in the highest risk profile groupings (cleaning, waste management and labor hire) were engaged to conduct a more comprehensive risk assessment of their modern slavery frameworks. Suppliers in high-risk sectors will be re-assessed in FY23 to identify risks in their supply chains and support the identification of mitigation controls. For suppliers without reporting obligations under the Modern Slavery Act 2018 (Cth), support provided to raise the awareness on Modern Slavery and its associated risks.
Due diligence	<ul style="list-style-type: none"> Ongoing analysis and risk evaluation of all SAQ responses to identify high-risk categories to be further investigated. Active supplier engagement and audits as part of our internal due diligence and onboarding as per the Contract Management process.
Grievance and remediation	<ul style="list-style-type: none"> Grievance mechanism and remediation processes in place that are also linked to our Whistleblower Policy, including escalation and accountability pathways. External training on Whistleblower Policy and Whistleblower hotline provided to the Senior Leadership Team across all entities.
Training	<ul style="list-style-type: none"> Majority of key operational positions, including the executive team, has attended the Modern Slavery awareness training.
Monitoring and Reporting	<ul style="list-style-type: none"> Under the ESG Framework, we have identified the first key metric related to completion of Modern Slavery awareness training. Based on a phased approach, we will continue evaluating other key performance indicators which will enable us to monitor the effectiveness of this framework,

5. Assessing the effectiveness of our actions

We continue to evolve our framework and sharpen the methods to assess whether our actions are appropriate and effective.

Governance Framework

Our ESG Strategy and related framework, informed by principles from global frameworks and standards, outlines our social and environmental commitments to operating a sustainable business. Enshrined in its core, lays our responsibility to continuously review all policies and processes to ensure they meet regulatory compliance and are effective in managing and mitigating all relevant risks, inclusive of those derived from potential modern slavery practices within our operations and supply chain.

Supplier Engagement

Through the outcome of our existing supplier compliance audit program, and findings and observations resulting from the Modern Slavery SAQ (Self-Assessment Questionnaire), we will continue gathering valuable insights on the risks within our operations and supply chain which will inform the future steps in continuously improving and embedding this framework.

Modern Slavery Working Group

This cross-functional group including representatives of all entities and key functions such as Legal, Procurement, People and Culture and Compliance is tasked with overseeing the monitoring of the actions

included in this statement as well as to raise awareness of modern slavery risks and suggest opportunities for improvement.

6. Key Areas of Future Actions

Underpinned by the ESG Strategy and Framework, we aspire to advance the maturity of our Modern Slavery framework. We reaffirm our commitment of developing a resilient and sustainable environment which supports transparent operations and supply chains where human rights are at its core.

Priority Area	FY23 Actions
Governance	<ul style="list-style-type: none"> Finalize and implement the Procurement Policy and Supplier Code of Conduct Implement the Supplier Relationship Management (SRM) platform that will monitor compliance of the Supplier Code of Conduct and Procurement Policy, supported by assessments of vendor audits, as required. Extend the Modern Slavery Group to any new key stakeholders within the organization, including newly acquired businesses.
Risk Assessment	<ul style="list-style-type: none"> Evolve our risk identification methodology by improving the qualification (and quantification) of high-risk suppliers in the highest risk profile groupings. As a result of the FY21 Supplier Risk Assessment, conduct an impact risk assessment on suppliers of, corporate clothing, uniforms, and personal protective equipment (PPE) based on country of origin. Based on findings, deploy necessary mitigating actions. Increase the knowledge and understanding of the impact of the renewable energy industry and its potential risks associated with modern slavery practices. Incorporate these learnings in any future procurement engagement.
Due diligence	<ul style="list-style-type: none"> Monitor the implementation of the Modern Slavery SAQ (Self-Assessment Questionnaire) across all entities. Refine the processes related to audits of suppliers where high exposure to the risks of modern slavery may exist to enable deeper analysis and validation of supplier practices. Provide further support to those suppliers without reporting obligations under the Modern Slavery Act 2018 (Cth) by increasing the awareness of Modern Slavery and the risks associated within their operations.
Grievance and remediation	<ul style="list-style-type: none"> Extend the communication of our internal grievance and remediation mechanisms to all employees, and external parties, as required. Continue monitoring the established grievance mechanism to ascertain its effectiveness and help prioritize any required changes to the internal processes in relation to escalation, investigation and response plans to potential breaches or complaints.
Training	<ul style="list-style-type: none"> Develop tailored training to cater for different learning needs for different roles across all Business Units. Deliver annual awareness training to all employees. Build further capability within the Modern Slavery Working Group through regular briefings, sharing research and key metrics.
Monitoring and Reporting	<ul style="list-style-type: none"> In alignment with the evolution of the ESG framework, identify additional Modern Slavery metrics that will enable us to evaluate the progress we are making with respect to addressing modern slavery risks.

7. Consultation process

FMH and EFM Logistics Pty Ltd are considered reporting entities under the Modern Slavery Act. This Statement has been made on behalf of these two entities as well as all other controlled entities of FMH including those detailed above and various subsidiaries that are non – operational or employee servicing entities.

This joint Statement has been prepared in consultation with stakeholders from FMH and each of the subsidiaries through the creation of a working group and liaising with them in respect of the modern slavery risks. Each reporting entity's senior management is aware of the contents of this joint Statement.

This joint Statement was approved on 30 November 2022 by the Board of Directors of FMH and on or before 14 December 2022 by the Board of Directors of each FMH subsidiary that is a reporting entity. Simon Slagter, as Group CEO was authorised to sign this joint Statement on behalf of FMH and its controlled entities.

A handwritten signature in black ink, appearing to read 'S. Slagter', positioned above a horizontal line.

Simon Slagter
Group CEO
Director, Freight Management Holdings Pty Ltd (ACN 144 724 532)
Director, EFM Logistics Pty Ltd (ACN 144 724 685)
Date: 14 December 2022