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Modern Slavery Statement for the Financial Year 2023



Respect for human rights is central to how we do business at Custom Fleet

We are committed to treating our employees, customers, partners, and everyone we do business with, with respect. We value diversity and have no tolerance for discrimination or harassment. We promote a sense of belonging for our crew through celebrating the diverse intersectionality that exists in our workforce.

We acknowledge our role in fighting all forms of discrimination, oppression, forced labour and slavery and we're committed to being a force for positive change.

This approach guides our response to the risks posed by modern slavery.

In this Modern Slavery Statement, we provide insight into Custom Fleet's 2023 modern slavery program, the actions taken to address and mitigate against the risk of modern slavery in our operations and supply chain, and the improvements we've implemented.





Our corporate structure, operations, and supply chains

Custom Fleet is a leading fleet management and vehicle leasing organisation, that has provided 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 and New Zealand for approximately 41 years.

Custom Fleet's head office is located in Melbourne, Victoria. We have over 2,400 customers serviced by dedicated local sales, customer service and operations centres located in Australia and New Zealand.

The Custom Fleet Group in Australia is comprised of EFN (Australia) Pty Limited and its wholly owned Australian subsidiaries, Element Financial (Australia) Pty Limited, Element Fleet Services Australia Pty Ltd, Custom Fleet Pty Limited and Custom Service Leasing Pty Limited. 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).

Custom Fleet's board of 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 chains

In Australia, Custom Fleet provides fleet finance/leasing, fleet management services, and novated leasing to a variety of customers including some of Australia's best-known corporations.

We have a supply chain of approximately 3,680 tier one suppliers, which include:

- ▶ providers of professional services;
- ▶ insurance providers;
- ▶ vehicle manufacturers and suppliers;
- ▶ suppliers of plant and equipment;
- ▶ vehicle component manufacturers and suppliers;
- ▶ vehicle monitoring services;
- ▶ information technology and related services;
- ▶ commercial property providers; and
- ▶ recruitment services.

A significant percentage of our suppliers operate solely in Australia. Where we do have overseas suppliers, they typically supply vehicles, equipment, and vehicle components. Custom Fleet ensures that it contracts with reputable suppliers, both locally and internationally. All suppliers are required to comply with applicable laws, including the Modern Slavery Act.



Modern Slavery risks

Suppliers

Custom Fleet has assessed its exposure to the risk of modern slavery risk in its supply chains based on the following considerations:

- ▶ The countries in which suppliers operate (eg. do suppliers operate in high-risk locations?);
- ▶ The applicable business (eg. is the business sector likely to utilise the labour of persons vulnerable to exploitation?);
- ▶ The nature of goods or services being supplied (eg. labour hire or outsourcing services);
- ▶ The efforts the supplier has made to address the risk of modern slavery in its own supply chains.

Custom Fleet's operations

Custom Fleet employs approximately 289 people in Australia and 75 in New Zealand. Most employees are employed directly, in traditionally office-based roles. If an employee is not directly employed by Custom Fleet (e.g. Contingent, temporary workers or fixed term contractors) they are engaged through reputable recruitment agencies.

In addition, Custom Fleet's terms of employment are reviewed regularly to ensure compliance with applicable law.

Outcome

Based on our annual review, we have determined the risk of modern slavery in our supply chain and our own operations remains low, due to:

- ▶ Australia and New Zealand being considered to be low risk jurisdictions for modern slavery (as per the 2023 Global Slavery Index published by Walk Free Foundation);
- ▶ A significant percentage of Custom Fleet's suppliers operating solely in Australia and/or New Zealand;
- ▶ Custom Fleet's hiring practices and relatively small staff compliment;
- ▶ Custom Fleet's practice of only engaging with reputable local and international suppliers who undertake contractually to comply with applicable law.





2023 improvements in our processes, and risk management

During the 2023 reporting period, we sought to manage and improve the efficacy of our modern slavery program (and meet the commitments made in our prior Modern Slavery Statement), as follows:

- ▶ We conducted a review of our supplier onboarding process, and we now require our suppliers commit to comply with Modern Slavery requirements, during the onboarding process;
- ▶ We redrafted our Modern Slavery due diligence questionnaire to make it more comprehensive. This includes asking suppliers to submit supporting documentation;
- ▶ We substantially increased the number of suppliers who were sent our Modern Slavery due diligence questionnaire (including suppliers who are not required to submit Modern Slavery Statements as they do not meet the statutory threshold). Although this resulted in an increase in responses, we also noticed an increase in failures to respond. We anticipate this trend will continue as we expand our supplier due diligence efforts, resulting in the need for increased management of the program in line with the Modern Slavery Code for Suppliers referred to below.
- ▶ We implemented a Modern Slavery Code for Suppliers which, among other things:
 - details Custom Fleet's expectations regarding the suppliers' obligations to prevent modern slavery;
 - sets out the actions (including supplier surveys, requests for supporting documents, and audits) Custom Fleet may take in order to verify a supplier's compliance with the code and applicable law; and
 - provides Custom Fleet with recourse against a supplier should they fail to comply with their obligations under the code or applicable law (which in certain extreme or repeat circumstances may include termination of the business relationship with the customer).
- ▶ Mandatory online Modern Slavery training has been expanded to include personnel in the Human Resources Department (in addition to the training already provided to those in the Procurement Department). This training seeks to raise awareness of modern slavery risks, the forms that modern slavery may take and what Custom Fleet's responsibilities are with respect to the prevention of Modern Slavery.
- ▶ Custom Fleet staff are also required to undergo regular additional training relevant to the ethical conduct of business, including:



Anti-bullying and anti-harassment



Discrimination



Respect@work



Whistleblowing



Anti-bribery and corruption

- ▶ Custom Fleet's Whistleblower Policy and Grievance Policy empower staff to report any instances of unlawful or improper conduct. Our 'Speak Up' campaign also encourages staff to raise (anonymously, if desired) any concerns about misconduct within our operations or supply chain. The 'Speak Up' program and Whistleblower Policy is reviewed and circulated regularly to ensure ongoing awareness for all staff.



Employee wellness and empowerment

2023 saw the successful introduction of numerous [DEIB \(Diversity, Equity, Inclusion and Belonging\)](#) initiatives at Custom Fleet, with the following being but a small sample of what was achieved:

- ▶ The launch of a custom-made leadership for women program, called Greenlight;
- ▶ The launch of an industry leading Innovate Reconciliation Action Plan (RAP);
- ▶ The introduction of a [gender-neutral Parental Leave Policy](#);
- ▶ The award of Bronze Level Certification as part of the Australian Workplace Equality (AWEI) LGBT Inclusion Awards;
- ▶ The delivery of meaningful cultural training.



Effectiveness of our actions

In this reporting period we focussed on enhancing the efficacy of our modern slavery prevention program, in line with the commitments made in our previous statement. This has, to a large extent, been achieved.

Suppliers are now required to make commitments to the prevention of modern slavery during their onboarding, the Custom Fleet Modern Slavery Code for Suppliers has been implemented, and training on modern slavery has been expanded.

We nonetheless acknowledge that the risk of modern slavery remains. This is especially the case with suppliers outside of tier 1, where access to information remains a challenge.

We must also remain alert to any socio-economic or political changes which could have an adverse effect on the fight against modern slavery.

We are also proud of what we have achieved in making the Custom Fleet workplace welcoming and inclusive for all.

Future actions

Custom Fleet remains committed to continuous improvement of its Modern Slavery program across all of its operations.

In 2024, the focus is on how we improve the reach of our due diligence efforts past our tier 1 suppliers. Various options, including the use of suitable supplier management systems are being considered.

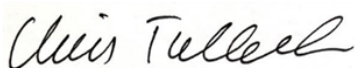


Approval of this statement

The content of this statement has been reviewed and approved by the Board of Directors of each of the entities making up the Custom Fleet Group.

This statement is made pursuant to the Modern Slavery Act 2018 by the Custom Fleet Group for the financial year ending 31 December 2023.

This statement was approved by the Board of Directors of Custom Fleet on 9 April 2024.



Chris Tulloch
Chief Executive Officer
Custom Fleet



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