

Silk Logistics Holdings Limited

MODERN SLAVERY

STATEMENT

MODERN SLAVERY ACT REPORTING CRITERIA

Identify the reporting entity

Describe the reporting entity's structure, operations, and supply chains	Page 4
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Page 8
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Page 12
Describe how the reporting entity assesses the effectiveness of such actions	Page 16
Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Page 17

Acknowledgment of Country

Silk acknowledges the Traditional Owners and Custodians of Country throughout Australia on which we live, work and operate. We pay our respects to Elders past and present, we recognise their strengths and resilience and acknowledge their continuing connection to waters, skies, seas and country.

INTRODUCTION

At Silk Logistics Holdings Limited (Silk), we are committed to respecting human rights across our business. Our people are our greatest asset and the core to our business. Our approach to modern slavery and the protection of human rights is underpinned by our values: Safety, Respect, Integrity, Passion, Innovation and Customer-centric, which guide us in our approach to human rights.

Silk is pleased to present our third annual Modern Slavery Statement. This statement reflects our ongoing efforts to address modern slavery risks in our operations and supply chain.

Silk is committed to conducting business, responsibly and ethically to ensure all areas of our operations, supply chains and connected networks are free from any form of slavery. Silk takes a zero-tolerance approach to any form of human rights abuses, including modern slavery in our operations and supply chains and we expect that all our employees, suppliers, subcontractors, and agents uphold these values. We expect our business operations to operate in accordance with all applicable modern slavery laws.

While we have taken steps, we are still evolving. Our statement aims to provide a practical overview of how we are managing our modern slavery risks and the three key focus areas for the reporting period in order to respond to this statement.

- Integrating modern slavery into risk management, including commercial arrangements.
- Engaging with current and future customers and suppliers to address modern slavery.
- Broadening awareness amongst the business in understanding the role they play.

As we continue to grow as a business in an incredibly competitive industry, Silk is committed to collaborating with our people, customers, suppliers, and shareholders to consolidate and improve our ability to manage the challenges that modern slavery presents and protect fundamental human rights for everyone who interacts with us. We continue to welcome feedback.



REPORTING ENTITES

This modern slavery statement (the Statement) is made by Silk Logistics Holdings Limited (ACN 165 867 372) as a joint statement on behalf of itself and the following entities:

- Silk Contract Logistics Pty Ltd (ACN 06 444 355)
- Rocke brothers Pty Ltd (ACN 100 735 469)
- 101Warehousing Pty Ltd (ACN 154 887 715)
- Fremantle Freight & Storage (ACN 079 923 327)

References to 'our' and 'we' in this Statement refer to Silk Logistics Holdings Limited and its owned and controlled subsidiaries.

This Statement sets out information required by the Modern Slavery Act 2018 (Cth) (the Act) describing the risks of modern slavery in our business and actions we have taken to address those risks during the reporting period 27 June 2022 to 25 June 2023 (the reporting period or FY23).

SECTION 2

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Silk's journey began over a century ago in Victoria, Australia, with the establishment of two influential businesses: Hoffman Transport and Kagan Logistics. In 2008, these entities merged to form Silk Logistics Group, followed by a Management Buyout ('MBO') in 2014 in which the management shareholders – Brendan Boyd (Co-Founder and Managing Director) and John Sood (Co-Founder and Chief Customer Officer) – along with private investment partners, acquired the company.

Since the MBO, Silk's success can be attributed to an unwavering commitment to a three-phase strategic plan. This plan prioritised customer satisfaction, growth, and a robust M&A strategy to leverage the existing platform, while simultaneously expanding capabilities, scale, and geographic presence.

Building upon this foundation, in FY22 Silk extended its business-to-business ('B2B') model into the realm of e-commerce fulfilment through the acquisition of 101Warehousing. In early FY23, Silk reinforced its Port Logistics capability in Western Australia with the acquisition of Fremantle Freight & Storage. These strategic moves align with the current roadmap, which encompasses three growth horizons over five years, to FY27. As we move forward, Silk remains dedicated to exploring acquisition opportunities that will further enhance our logistics offering both domestically and internationally.

Company Overview

Silk is an Australian-founded, leading provider of integrated port-to-door landside logistics services in Australia. We proudly partner with some of the world's biggest brands, leveraging tier-one technology to empower our operations to deliver efficiency and customer satisfaction.

Silk's growth speaks to our commitment to provide service excellence to our customers, backed by a workforce that thrives on success, and a proven safety track record. At Silk, we don't just keep up with industry standards, we strive to set them.

Under its Silk Contract Logistics, Rocke Brothers, 101Warehousing and Fremantle Freight & Storage brands, Silk provides a comprehensive suite of business-to-business, business-to-consumer ('B2C'), and e-commerce fulfilment supply chain solutions. Silk has two primary operating segments: our Port Logistics business provides wharf cartage and container value-added services, and our Contract Logistics business offers warehousing, e-commerce fulfilment and distribution services.

Our Structure

Silk Logistics Holdings Limited (ACN 165 867 372) is a public company listed on the Australian Securities Exchange (ASX: SLH) with a head office located in Port Melbourne, Victoria.

Silk has several operating subsidiaries. As these businesses are owned by Silk, their operations are included in this Modern Slavery Statement for the reporting period.

Subsidiaries

Silk Contract Logistics Pty Ltd ACN 006 444 355

Rocke Brothers Pty Ltd ACN 100 734 469

101Warehousing Pty Ltd ACN 154 887 715

Fremantle Freight & Storage Pty Ltd ACN 079 923 327



Our Operations

Well-positioned across all major Australian capital cities, Silk's facilities are strategically located with excellent access to the country's key container ports. This provides a marked competitive advantage through which we deliver efficient and cost-effective services to our national customer base.

Our extensive network of facilities and resources allows us to deliver high-quality services and solutions to customers across the country. Silk operates a total of 28 warehouse sites nationally, including 5 e-fulfilment warehouses (in Victoria only), 8 with the necessary licenses and notifications to compliantly store dangerous goods, and 11 food-grade sites.

Silk also has container yard facilities in Victoria, New South Wales, Queensland and Western Australia on, or adjacent to, those states' major container ports.



Our Team

Our Silk workforce has over 1,000 people, which spans all our businesses and geographies, with 91% of our workforce employed on a full-time permanent basis. The remaining 9% are employed on a permanent part-time, temporary fixed term, or casual basis.

Labour hire and contractors are an important part of the Silk's ability to scale up our operations when responding to business needs and customer demands. We engage labour hire companies, sub-contractors and fleet operators to provide us with the service of contracted workers in Australia.



Our Supply Chain

Our supply chain is large and complex and includes a diverse range of customers and suppliers. Our supply chain can be broken up into two general categories.

- **Customer Goods** We handle, store, move, and distribute an extensive range of goods and products for over 500 customers across agriculture, consumer, food, light industrial, packaging, retail, freight forwarding and other. The goods or products are for B2B, B2C and e-commerce fulfillment. The product is handled and stored in QLD, NSW, VIC, SA and WA and can be moved anywhere nationally.
- **Procurement (non-trade)** We procure an extensive range of goods and services from over 400 direct suppliers. These are non-tradeable goods and services we use to support the running of Silk. Examples include PPE, uniform, maintenance, infrastructure, installation services, hardware, technology, marketing, transport services, construction, labour hire, sub-contractors.

OUR MODERN SLAVERY RISKS

As we continue to grow and evolve as a business, we continue to monitor our risk environment through a combination of supplier screening, third party assessments, audit programs, grievances management, regulatory requirements, industry trends and bodies. These sources help us identify and prioritise our response to the human rights risks and emerging risks.

Silk recognises modern slavery is a global issue and we seek to contribute to the elimination of modern slavery by aligning our strategy for assessing and mitigating modern slavery risks with the United Nations Guiding Principles (UNGPs) and acknowledge our role in preventing and addressing modern slavery in our operations and supply chains.

Our approach to modern slavery risk management is based on the three key areas that are also aligned to the UNGPs.

- 1. Our operations comply with relevant laws and regulations, including internal procedures and controls.
- 2. We will work with our suppliers to prevent modern slavery through communication and audits.
- 3. We will assess and risk profile our procurement partners to reduce the risk of modern slavery in our extended supply chain.

During FY24 we will be updating our risk assessment to strengthen our efforts and focus on salient risks.

Risk Profile Operations

Silk's operations are in Australia and operate in the states of Victoria, New South Wales, Queensland, Western Australia, and South Australia.

Approximately 91% of our employees operate under an enterprise bargaining agreement or Award and we conduct the majority of our own recruitment.

The standards, obligations and worker protections required by Australian labour laws result in a relatively low risk of modern slavery within our operations.

Specialist contractors are also engaged for specific project or short-term specialist roles (i.e., IT, Business Development and solutions) in the Support Office from time to time. For these engagements, Silk and the individual contractor negotiate the terms of the agreement including the rate for the work provided. The nature of these engagements, and the relative bargaining power of the entities involved means there is a relatively low risk of modern slavery occurring, as these contingent contractors are specialists in their field, are generally self-employed and have significant experience and understanding of applicable laws, industry, licensing, workplace health and safety, right to work, fair pay and human rights.

While the numbers vary for contractors provided via labour hire firms, Silk has entered into agreements with labour hire firms for the supply of contract labour. The terms of those agreements require the labour hire firm to confirm its compliance with practices to reduce the risk of modern

slavery associated with its operations and that employees are to be paid in accordance with applicable Awards as a minimum.

While Silk considers that the risk of modern slavery associated with this arrangement is low, as a general principle, the use of third-party labour providers or arrangements that involve the higher prevalence of migrant or low-skilled workers may give rise to an elevated risk of modern slavery.

The presence of one or more of these risk factors may indicate an increased vulnerability to modern slavery but does not necessarily mean modern slavery is occurring.

Goods (non-trade), labour and services used in Silk's operations, include (listed in no particular order):

- Direct labour
- Indirect labour (contractors, subcontractors, owner drivers, labour hire)
- Offshore services (i.e., data entry, administration)
- PPE and uniform supply
- Facilities management (i.e., cleaning services, maintenance)
- IT services

Risk Profile Supply Chain

Silk aligns our approach to modern slavery risks with the United Nations Guiding Principles (UNGPs) on Business and Human Rights. The UNGPs are the global standard for addressing modern slavery and other harms associated with business activities.

Aligned with the Australian Government's recommended approach, we are adopting the principles outlined in the UNGPs to assess our modern slavery risks. Through this process we are identifying the risk areas and then analysing our involvement: as a cause, a contributor, or through direct links to harm.

Cause: A business may cause modern slavery or other human rights harm where its actions directly result in modern slavery occurring.

Contributor: A business may contribute to modern slavery or other human rights harm where its actions or omissions facilitate or incentivise modern slavery.

Direct links: A business may be directly linked to modern slavery through its services, products or operations. This includes situations where modern slavery may occur in a business' extended supply chain.

Potential modern slavery risks

Direct Labour

RISK - Cause (potential)

Silk directly employs over 1,000 employees within Australia. As part of recruitment practices, we ensure all employees complete 'proof of right to work' and where required VEVO checks.

The standards, obligations and worker protections required by Australian labour laws result in a relatively low risk of modern slavery within our operations for direct labour.

These standards include, but are not limited to the:

- Fair Work Regulations 2009
- Fair Work Act 2009
- National Employment Standards (NES)
- National minimum wage
- Registered Agreements
- Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Bill 2022

Indirect Labour

RISK – Contributor and Direct Link (Potential)

We engage labour hire and contract service providers who support our business with ongoing labour to meet the needs of the business, through warehousing, transport, and administration. Through assessment, it has been validated that labour hire and service providers carry an inherently higher risk of modern slavery. There are two categories of indirect workers performing work on our sites:

- labour hire workers, who provide picking, forklift, unloading/unloading trucks and pack/unpack of containers. This is predominately conducted within Silk's warehouses and fulfilment centres.
- sub-contractor and fleet operators providing truck and driving services to the port logistics and distribution arms of the business.
- administration services that perform general data entry and administration services, that is outsourced to third parties.

The workforce provided by labour hire, contractors and service providers generally has a higher proportion of migrant and lower skilled workers who may be less aware of their workplace rights, in addition sub-contracting can contribute to low margins. The Silk group has less control over how workers are engaged, treated and remunerated, as they are engaged through a contractor, supplier or labour hire company.

Supplier agreements are put in place with all labour hire and service providers to assist with mitigating modern slavery and to also set expectations with third parties. We will continually review and address the need to strengthen contractual terms to effectively mitigate risk.

Offshore Services

RISK - Contributor and Direct Link (Potential)

Silk engages a small number of contractors for skilled white-collar labour in higher-risk countries. This type of engagement carries different types of risks. The workers tend to be highly educated and specifically trained to provided day-to-day work. Working overseas may limit Silk's visibility over their working conditions.

We liaise closely with the organisations that provide these services, through audits and assessments to assess pay and working conditions.

PPE & Uniform Supply

RISK – Contributor and Direct Link (Potential)

An organisation Silk could contribute to modern slavery within the purchase of work uniforms and PPE by procuring from countries with limited labour controls or from suppliers lacking traceability in

their raw material sourcing. An absence of traceability raises concerns about sourcing from production regions that may involve forced labour.

We recognise the role we play in promoting responsible supply chains through our purchasing practices. We understand that through the purchasing of goods and services, we have the ability to interact with our suppliers and influence. In FY24 we are committed to developing and implementing policies and procedures that do not have a negative impact on wages and working conditions in the supply chain.

This industry is vulnerable to high modern slavery risk factors, high-risk business models and production regions. In FY24, Silk will assess undertaking an Ethical Trade Audit with its PPE and uniform suppliers and closely monitor.

Facilities Management

RISK - Contributor and Direct Link (Potential)

Facilities management involves a variety of services which includes cleaning and maintenance, areas amongst others.

The labour provided generally has a higher proportion of migrant and lower skilled workers who may be less aware of their workplace rights. In addition, sub-contracting can contribute to low margins. Due to the nature of the work, there may also be shift work and excessive hours.

Silk has less control over how workers are engaged, treated and remunerated, as they are engaged through a supplier or sub-contractor arrangement.

Supplier agreements are put in place with all service providers to assist with mitigating modern slavery and to also set expectations with third parties. We will continually review and address the need to strengthen contractual terms to effectively mitigate risk.

IT Services

RISK - Contributor and Direct Link (Potential)

Silk has developed a practice where all IT equipment is purchased from reputable suppliers, however the components, which are in the finished goods, may be sourced and/or manufactured in regions that may have higher risks of modern slavery.

In FY24, Silk will assess undertaking an audit to assess suppliers and closely monitor.

MODERN SLAVERY ACTIONS, DUE DILIGENCE AND REMEDIATION

Silk is adopting a systematic approach to identifying and addressing potential modern slavery risks within our supply chain and operations. Our framework is designed to offer flexibility, while centred around three objectives:

- Increasing **Awareness** among employees and suppliers to create a culture that prioritises the protection of people through our operations and supply chain to prevent modern slavery.
- Cultivate a culture of **Reporting** where people feel empowered to have a voice regarding modern slavery without the fear of consequence.
- Effective **Response** regarding modern slavery matters once identified and require remediation.

Silk has developed a specific approach to addressing and mitigating risk, as part of Silk's continuous improvement approach to modern slavery risks. Our modern slavery framework is underpinned by three areas: prevention, detection and remediation. This approach will periodically be reviewed to benchmark effectiveness of our actions.

Our Governance Structure



Silk has a comprehensive set of policies that articulate our human rights expectations to our team and how our team can lodge a workplace grievance. The implementation of policy is supported by the People & Culture team, which supports the team with various people matters.

The following policies are those that are most relevant to preventing modern slavery among our team:

Modern Slavery Policy	Silk is committed to eliminating the risk of modern slavery occurring within its own business and limiting the risk of modern slavery infiltrating its supply chains or through any other business relationship.
Anti-Bribery and Corruption Policy	This policy prohibits all forms of bribery and corruption and informs that Silk is committed to conducting its business legitimately, ethically and in compliance with the applicable laws.
Workplace Code of Conduct	Silk has also adopted a statement of values. The Statement of Values and the Code of Conduct outline how the Company expects its employees and representatives to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards.
Discrimination, Harassment & Bullying Policy	Sets out our expectations that all team members treat everyone with respect when at work, when representing our businesses or when interacting with team members outside of work.
Whistleblower Policy	Silk is committed to conducting business legitimately, ethically and in accordance with its core values of Integrity, Respect and Passion. Silk is committed to creating workplace culture which promotes employees and eligible whistleblowers to disclose improper conduct confidentially, anonymously and on reasonable grounds without fear of reprisal or detrimental action.
Recruitment Policy	The policy sets Silk's recruitment and selection practices to be fair, equitable and free from discrimination. This includes eligibility to work in Australia and compliance with applicable laws and legislation.
Remuneration Policy	The policy sets out the remuneration principles for employees, and our commitment to fair and equitable remuneration outcomes and practices.
Grievance & Dispute Resolution Policy	The Grievance & Dispute Resolution policy provides a framework for workplace grievances (such as discrimination, harassment or bullying in the workplace) to ensure the situation can be dealt with in an effective and prompt manner
Modern Slavery Supplier Code of Conduct	Silk is committed to limiting the risk of modern slavery occurring within its own business, infiltrating its supply chains or through any other business relationship.
	Silk has adopted a principle-based governance framework designed to promote responsible management and conduct of our company across a range of disciplines.

The policies are available either on the Silk website, Silk intranet and the 'Find a Policy' poster with QR code.

Awareness

In 2023, Silk took steps to enhance the capability of new employees into the business and that of our frontline managers. The awareness training provided a deeper understanding of modern slavery and the potential impacts to the business.

Training	Overview
Induction Training (new employees)	The purpose of Modern Slavery Induction training is to educate new employees about the issue of modern slavery, its different forms, and the indicators to identify potential risks within supply chains and operations.
Awareness Training	The purpose of Modern Slavery Awareness training is to educate frontline managers about the issue of modern slavery, its different forms, and the indicators to identify potential risks within supply chains and operations. This training aims to raise awareness, increase understanding, and empower the team to recognise, and help prevent instances of modern slavery.

Silk is committed to continually raising the capability of the team, their awareness and how they can address modern slavery risks in our operations and supply chains.

Overview of our Grievance Mechanisms

Grievance Policy

It is important that all employees can raise grievances that they may have within the workplace, including in relation to modern slavery or other labour rights issues. The objective of the Silk Grievance Policy is to promote and foster a harmonious working environment by providing a process whereby conflicts and disputes are resolved quickly and amicably and to the satisfaction of all concerned parties.

The Grievance Policy outlines the steps for raising grievances, outlines the resolution process including the possibility of mediation or conciliation and highlights the underpinning principles of confidentiality and accountability.

If an investigation is to be undertaken, an internal investigator or, if deemed appropriate by Silk an external investigator, will be appointed to conduct the investigation impartially and sensitively. The Grievance Policy also outlines the variety of outcomes that may be achieved including an apology being given, targeted training, changes to working arrangements and/or disciplinary action.

Report Anonymously and Whistleblower Program

Report Anonymously and the Whistleblower Policy provide an avenue for all employees of Silk, as well as others with a connection to Silk such as suppliers of goods or services to an entity within Silk, contractors, consultants, and other business partners (including someone who is or has been employed by a supplier), or a relative, spouse or dependent of any of these individuals to speak up.

Effectiveness

Silk is continually assessing the effectiveness of initiatives outlined in this statement and broader activities across the business which impact human rights, and to further develop a framework for the ongoing assessment of our performance.

Currently, we assess our effectiveness through the following mechanisms:

Governance & Policy	We review key policies annually to evaluate whether they are fit for purpose. We ensure all team members have access to the Silk policies.
Risk Management	We have implemented processes to monitor our modern slavery risk framework to ensure it is fit for purpose. We communicate our grievance policy and how anyone working at Silk can speak up and report a grievance online, email, directly or by phone.
Monitoring	We participate in supply audits with our customers and seek feedback regarding key trends.Random audit surveys with our suppliers.
Training	We assess the effectiveness of our training through engagement with team members and where relevant all team members are appropriately licensed to operate.
Reporting	We have reviewed key third-party benchmarks to understand how our statement compares to wider reporting trends.
Grievance	We assess the effectiveness of our grievance mechanisms and remediation processes against the criteria set out in the United Nations Guiding Principles (UNGP).

ASSESSING THE EFFECIVENESS OF OUR ACTIONS

FY23 Actions Completed

Focus Item	Action
Policy & Governance	 Introduced Modern Slavery Policy and Supplier Code. Updated relevant policies to reflect human rights and modern slavery commitments. Developed procurement documentation (supplier self-assessment) to identify and assess risks. Communicated with contractors regarding their obligations and compliance requirements. Tender documents include Human Rights and Modern Slavery compliance.
Working Group	• Modern Slavery working group and work plan was developed.
Risk Assessments	• Risks have been identified and mapped as a focus for FY23.
Education & Training	 Onboarding process includes Human Rights and Modern Slavery requirements. Refresher training was provided to employees.
Collaboration	 Modern Slavery is a regular agenda item at the Sustainability Committee. The Modern Slavery Statement has been published on electronic platforms.

LOOKING AHEAD

Silk continues to evolve and is committed to developing a group wide approach to managing and mitigating the risks of modern slavery within our operations and supply chain.

To ensure that the effectiveness of Silk's actions in relation to the minimisation of modern slavery risks in its operations and supply chains continues to improve, the following initiatives are planned for the FY24 period ahead:

- Develop a Human Rights policy.
- Assess the top 100 suppliers and identify risk categories and controls.
- Implement a Procurement Policy to integrate human rights considerations including modern slavery.
- Develop a suite of contractual clauses regarding obligations and our compliance, tailored to meet modern slavery obligations.
- Expand our modern slavery education within the senior management and key roles.
- Enhance our grievance mechanism to ensure it provides an effective platform for workers to voice their concerns and seek resolution.
- Continue to collaborate with customers to identify opportunities and learnings for sector collaboration.
- Further establish an assessment process for all customers and partners.

CONSULTATION

This Statement is made in accordance with the Modern Slavery Act (Commonwealth) 2018. It constitutes the joint statement of Silk Logistics Holdings Limited and covers the reporting period 27 June 2022 to 25 June 2023 (the reporting period or FY23). The Statement was prepared in consultation with our controlled entities (including the reporting entities).

We actively engage in ongoing consultation throughout the Group to determine the necessary actions for addressing the risks associated with modern slavery. The senior management team, in the course of their everyday duties, provide input into the formulation of the Framework and Action Plan and the preparation of this statement. This statement has been reviewed by the Sustainability Committee, which includes representation from operations, legal and people & culture.

As an integrated group of entities, where Silk has operational control, common policies, systems and governance processes, the consultation process occurs at a Silk Group level, both in respect of our reporting entities and each other and our reporting entities and their controlled entities. Key functional support staff responsible for Silk's operations and supply chains were consulted and these teams contributed to the preparation of this Statement, prior to its review by Silk's Executive Leadership Team which is collectively responsible for the management of our operations and supply chains. Following review by our Executive Leadership Team, the Statement was considered by our Board for approval.

This Statement was approved by the Board of Silk Logistics Holdings Limited on 21 December 2023, and signed by the CEO Silk Logistics Holdings.

Brendan Boyd

CEO