

## Modern Slavery Statement for financial year ending 31 Dec 2022

### Introduction

This Statement is submitted on behalf of DB Schenker Australia Pty Ltd (DB Schenker Australia) (ACN:000410 211) under section 13 of the Modern Slavery Act 2018 (Cth) (MSA) to cover the reporting period of 1 January 2022 to 31 December 2022.

Modern slavery is a term used to describe a situation/s where offenders use coercion, threats or deception to exploit victims and undermine their freedom.

The United Nations and Walk Free Foundation estimate there are approximately 49.6 million victims of modern slavery around the world and that it has severe consequences for victims.

Practices that constitute modern slavery include:

- human trafficking;
- slavery;
- servitude;
- forced labour;
- debt bondage;
- forced marriage;
- the worst forms of child labour (“Modern Slavery”);

and often have severe consequences for the victim and also the entity responsible.

DB Schenker Australia, and the greater DB Group, take a zero-tolerance approach to any form of Modern Slavery, unethical labour practices and human rights abuses within our operations and supply chains. Through DB Schenker’s Code of Conduct for Business Partners (COC BP), we ensure that all our suppliers live and share the same values (explained further below).

### Structure, Operations and Supply Chains

DB Schenker Australia is a wholly owned subsidiary of Schenker AG, a German government owned entity, and part of the Deutsche Bahn Group (DB Group). DB Schenker Australia is a proprietary limited company with no subsidiaries or controlled entities. DB Schenker Australia is registered at 72 – 80 Bourke Road Alexandria NSW 2015, Australia and this served as our head office for our ANZ operations.

DB Schenker Australia’s business is in the logistics sector. Our business includes distribution of goods by air, ocean and land, contract logistics services and services in specialist areas such as fairs, exhibitions and projects. DB Schenker Australia has physical infrastructure throughout Australia with onsite presence in Sydney, Melbourne, Adelaide, Brisbane, Perth, Darwin, Christchurch and Auckland. The DB Group is a global business with a broad global customer base operating in more than 700 locations around the globe.

DB Schenker Australia employs 2,200 staff members of which approximately 54% are permanent employees, 46% are employed through an agency. We also have a limited number of workers on visa arrangements.

In the 2022 reporting period, we continued our efforts to consolidate our supplier pool and ensure that those long-term partners we do engage are rigorously vetted during selection processes (as outlined in our internal SOP GP01).

Our direct suppliers provide us with a range of goods and services including: transport, freight and logistics services; machinery and equipment; labelling, packaging and storage goods; pest control services; fire and safety services; environmental services; postage and couriers; legal and accounting services; telecommunications; insurance; food and groceries; cleaning and maintenance services; stationary and furniture; information and technology hardware and software. We also utilise labour hire companies primarily to assist us with increased operational demand during peak periods (i.e. Christmas, Black Friday etc).

We acknowledge that our supply chain extends past our direct suppliers and over the past reporting period have extended the reach of our COC BP, updating procurement activities with suitable compliance processes aimed at understanding and identifying risk within our business partners' network.

### **Risks of Modern Slavery in our Operations and Supply Chains**

DB Schenker Australia understands that due to the prevalence and nature of modern slavery, every entity has risks of modern slavery in its operations and supply chains. We continue to carefully consider the ways in which we may have risks of causing, contributing to, or being directly linked to modern slavery practices so that we can take more effective action to assess and address those potential risks in future reporting periods.

### **Operational Risks and Supply Chains**

DB Schenker Australia is an industry leader in the logistics and freight forwarding sector. Our operations include involvement at ports into and out of Australia – both via air and sea. We understand the special role that ports of entry can play in the practices of modern slavery around the world. While we do not have control over the management of these ports, we understand the importance of working strategically with these global entities across the broad DB Schenker Group – again guided by our COC BP which is consistently applied to all suppliers used by DB Schenker globally. Similarly, we are aware of the roles that the Australian Border Force and Australian Maritime Safety Authority have at these ports and work with the regulatory authorities as a point of contact at these locations.

We acknowledge that our casual employees, and particularly employees on visa arrangements are more vulnerable than our permanent employees due to their employment relationships being less secure. Particularly workers on visas, whereby their presence (and sometimes their family's presence) in the country is often tied to their employment. DB Schenker manages this risk closely by partnering with local legal and immigration firms to ensure full awareness of visa rules, regulations and risks are understood by all parties when hiring international candidates.



We note that under the MSA we are not required to report on modern slavery risks associated with how our clients use our services but wish to acknowledge this potential risk. We do not manufacture or produce goods ourselves, but a key part of our operations is the transportation of our clients' goods. Our clients participate in a diverse range of sectors and so we acknowledge that through the carriage of those goods we may be indirectly linked to modern slavery. It is based on this understanding that we exist as part of global supply chain ecosystem, that in addition to managing our supplier networks in line with the COC BP, all our operations globally must align to our high standard of corporate responsibility as articulated in our global compliance framework.

<https://www.deutschebahn.com/en/group/compliance>

To address these real and or perceived risks, our procurements practices (as codified in internal SOPS GP01) focus on ensuring suitable due diligence is undertaken on all business partners in order to assign each a risk category with corresponding low/medium/high procedural steps to be followed during selection and onboarding.

#### **Actions to Assess and Address Risks**

DB Schenker Australia has continued to take action to assess and address the risks of modern slavery that we have identified within our operations and supply chains. We are aiming to continually improve in our approach over time.

- **Risk Based Procurement**
  - As inhouse efforts both domestically and globally have continued within the DB Schenker Group, our local procurement activities guided by in house legal, compliance and procurement have ensured that increasing focus and attention has been paid to the selection and on-boarding of suppliers within our network.
  - As noted above, all onboard processes are guided by internal guidelines (GP01) and the COC BP.
- **Our Staff**
  - Many of our employees work under an enterprise agreement approved by the Fair Work Commission, and others also have clear employment contracts which makes clear their various rights and protections and is consistent with the Fair Work Act 2009 (Cth). This avoids any doubt regarding our employees' entitlements including leave, working hours, break times, wages, superannuation etc.
  - In 2023, DB Schenker Procurement and HR team entered a national tender for all blue collar and white collar, permanent and temporary contracts. Modern Slavery and labour compliance was a key metric in the tender approval process. Our new labour contracts have strong compliance provisions relating to labour standards and a prohibition on Modern Slavery and human rights breaches.
- **Internal Policies and Procedures**
  - At DB Schenker, we proudly adhere to the ethical business standards that our company has valued for over 150 years. We are committed to complying with international and national laws and delivering the highest level of ethical and legal standards in all that we do. These include the

International Labour Organisation (ILO) Core Conventions, Universal Declaration on Human Rights and the UN Sustainability Goals.

- DB Schenker has implemented a holistic Compliance Management System for ensuring ethical conduct and for acting as a fair and reliable partner for our customers. Our DB Code of Conduct provides guidance and an internal framework for all DB employees and executives, across all business transactions and customer contacts.
- Our Code of Conduct provides that the DB Group complies with the internationally recognised human rights and fundamental freedoms in accordance with the principles of the UN Global Compact, and that we help to protect and promote these rights and freedoms within our actions. The Code of Conduct states that we reject child labour and any form of forced labour.
- DB Schenker Australia understands that Modern Slavery includes only the most severe forms of exploitation. However, we also know that the existence of substandard workplace conditions can be a precursor of Modern Slavery. Our Code of Conduct also includes requirements and expectations of our staff in relation to Corporate Social Responsibility, Equal Opportunities, Cooperation, Occupational Health and Safety, Environmental Protection, Behaviour, Confidentiality, Conflicts of Interest, Invitations and Gifts, Corruption, Politics, Donations/Sponsoring, Competition and Cartel Laws, Reporting, Insider Trading, Data Protection and Money Laundering.

<https://www.deutschebahn.com/en/group/compliance/standards-6928842>

- **Social Minimum Standards**

- In January 2022, DB Schenker released a global policy of Social Minimum Standards (SMS) which derived from the group's purpose, visions and values. The values shape and define how we operate, how we collaborate and partner with our stakeholders and how we as a company behave in our daily work.

In particular the SMS provides that:

- child labour is not to be used at any point of the value chain with limited exceptions for those under apprenticeship, specific vocational or educational contracts. Where this is the case, it is required that any work carried out needs to be in accordance with conditions prescribed by the respective authority and is an integral part of a course of education and training; and
- prohibits all forms of slavery (including modern slavery) involuntary or forced labour in any form.

The SMS is a strategic directive and follows the formal implementation and monitoring process of the DB Schenker group. Adherence to these standards is subject to internal audits which will identify any non-compliance and any appropriate corrective measures identified immediately.

<https://www.dbschenker.cn/resource/blob/839526/b08e450b94e59c7ae1844ea3d9caf053/social-minimum-standards-download-data.pdf>



- **Whistleblowing**
  - We understand that staff play a key role in our due diligence. In January 2022, DB Schenker Australia endorsed by reference in the SMS, the new version of its long-standing Whistle-blower policy. This Policy serves as a potential mechanism through which staff can report anonymously breaches of our Code of Conduct or modern slavery. The policy also included a strong marketing campaign during January 2022 and internal training for key stakeholders. Clause 5 of the policy includes a section on the Deutsche Bahn Business Keeper Monitoring system (“BKMS”). The system allows for anonymous reports to be disclosed in over 22 languages. The policy also permits telephone and written disclosures. This provides a voice to our staff and suppliers.
  
- **Supplier Contracts**
  - In our previous reporting period, as part of our ongoing reinforcement of the MSA and all it encompasses, a modern slavery clause was included in our standard terms of agreement used in our supplier approval process. This clause requires our suppliers to comply with all applicable anti-slavery and human trafficking laws, including the MSA and to maintain policies and procedures to ensure continuing compliance, and not to engage in any activity, practice or conduct that would constitute Modern Slavery.
  - If we find that a supplier is not compliant with our contractual or policy requirements relating to anti-slavery, or the information they provide is found to be inadequate, depending on the circumstances, we can either terminate the arrangement or work with the supplier to ensure their compliance.
  
- **DB Schenker’s Code of Conduct for Business Partners (COCBP)**
  - As part of the supplier selection and onboarding process, all new DB Schenker Australia suppliers must sign up to and abide by the COCBP.
  - The COCBP requires our suppliers to carry out their business activities with integrity, to comply with the law, including human rights laws. We advise our suppliers that we have committed to compliance with the Ten Principles of the UN Global Compact. The COCBP requires our suppliers to respect commonly accepted human rights and to reject child labour and comply with applicable laws on the prohibition of child labour, and to not tolerate any form of forced labour. Through DB Schenker Australia’s COCBP, we ensure that all our suppliers live and share the same values.

<https://www.deutschebahn.com/en/group/compliance/geschaeftpartner#>

### **Assessing the Effectiveness of Our Actions**

DB Schenker Australia is committed to taking strong steps to ensure that our Modern Slavery policies, audit and assessment are effective at identifying and removing and Modern Slavery from our operations, supply chains and that of our suppliers. We

acknowledge that risks in this space are fluid and require constant reassessment as the world around us and our supply chains and operations shift.

To date, DB Schenker believes the success of its Modern Slavery policies and procedures roll-out has been largely as a result of a strong and committed global workforce (including members from Legal, Compliance, HR, and Procurement) working seamlessly in tandem to ensure its success.

### **Consultation**

DB Schenker Australia does not own or control any other entities; therefore no consultation is needed.

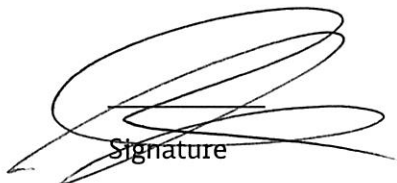
### **Other relevant information**

DB Schenker Australia and the greater DB group is committed to transparent operations, supply chains, and suppliers. It is actively working together with its group partners, to rid/prevent Modern Slavery from occurring within its global operations, supply chains and suppliers.

### **From Our Principal Governing Body**

DB Schenker Australia makes this statement in accordance with section 13 of the Modern Slavery Act 2018 (Cth). DB Schenker Australia's Board of Directors is the principal governing body under the MSA.

This modern slavery statement was considered and approved of by the Board of DB Schenker Australia.



Signature

Mark Rodgers – Director and Company Secretary



Signature

Carl Anders Bergland – Director and CFO