

Modern Slavery Statement

Prixcar Services

This Statement is submitted on behalf of Prixcar Services (ABN 42 007 063 505) under section 13 of the *Modern Slavery Act 2018* (Cth) (**MSA**) to cover the second reporting period of 1 July 2020 to 30 June 2021.

1 Identification, Structure, Operations and Supply Chain

Identification and Structure

Prixcar Services is partly owned by K Line Auto Logistics Pty Ltd (**K Line**) and partly owned by QUBE Logistics Holdings Ltd (**QUBE**).

K Line is a leading international shipping company with offices in each of the world's major automotive trade centres. K Line has more than 50 specialised vehicle carriers throughout Asia-Pacific, Europe and the Americas. QUBE is a diversified logistics and infrastructure company with operating divisions providing logistics services for clients in both import and export cargo supply chains.

Prixcar Services wholly owns one subsidiary: Prixcar Transport Services (ABN 18 158 361 721) (together, the **Prixcar Group**). Prixcar Transport Services does not undertake governance or management functions, it shares the same Board as Prixcar Services which undertakes this function for both entities.

Operations

Prixcar Services is an automotive logistics company specialising in vehicle processing and storage, fleet conversions and dealer vehicle storage. We offer a wide range of services including damage surveys, paint and panel rectifications, vehicle build ups, vehicle storage, pre-delivery inspection services, detailing vehicle registrations and vehicle transport. Prixcar Transport Services completes transport and transportation related activities.

Prixcar Services is headquartered in Melbourne but has more than 25 depots across Australia in Victoria (Altona North, Truganina, Melbourne), New South Wales (Port Kembla, Kembla Grange, Minto), Queensland (Port of Brisbane, Willawong, Mt St John), Northern Territory, Western Australia (Perth Airport, Freemantle) and South Australia (Netley, Wingfield, Outer Harbour). We have storage and transport facilities in each major inland port as well as on-wharf storage and processing facilities in some States, and transport offices and hubs at regional centres. Prixcar Transport Services performs functions at all 25 depots.

Prixcar Services employs 396 FTE staff members of which approximately 85% are permanent employees and 15% are casual staff or employed through an agency.

Prixcar Transport Services employs 473 FTE staff members of which approximately 59% are permanent employees and 41% are casual staff or subcontractors.

Supply Chains

Prixcar Services directly engages with approximately 987 suppliers (**tier 1** suppliers). We are still in the process of mapping our supply chain but have identified that nearly the entirety of our tier 1 suppliers are based in Australia aside from one supplier based in New Zealand.

Our tier 1 suppliers provide us with a range of goods and services including: tyres; fuel; barcodes; vehicles, forklifts, accessories and equipment; car leasing; real

estate; security; safety and fire equipment; warehousing services; archiving services; information and technology hardware and software; stationery and furniture; transport, freight and logistics services including via airports and ports; engineering; first aid equipment; telecommunications; food and groceries; legal and financial consultancy; cleaning and maintenance and insurance.

We also utilise labour hire companies primarily to assist us with increased demand when required. You can see from the breakdown above that agency workers are mostly used by Prixcar Services.

We acknowledge that our supply chain extends past our direct tier 1 suppliers and will endeavour to gain further knowledge as to the depths of our supply chain in future reporting periods.

2 Risks of Modern Slavery

The Prixcar Group 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 have continued to consider the ways in which we could potentially cause, contribute to, or be 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

Being in the transport business, a lot of our operations include involvement at ports of entry to our country – 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, and these are commonly the places where slavery first reaches Australian shores.

While we do not have control or oversight of these ports, we understand that simply by having a regular business presence at these locations we may be exposed to risks of modern slavery. We are comforted by the knowledge that the Australian Border Force and Australian Maritime Safety Authority have a strong presence at these ports and oversee activities at these sites. We also know that in comparison to other geographic locations in our region, the prevalence of modern slavery in Australia is low.

We do not manufacture or produce goods ourselves but provide a key part of our operations is the transportation of our clients' goods. Our clients are involved 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. 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.

Supply Chain Risks

We understand that every entity faces a risk that it could contribute or be directly linked to modern slavery practices through its supply chain.

In relation to our supply chain, tier 1 consists of approximately 987 suppliers which is an increase of approximately 40 suppliers since the last financial year. We understand this is a small to medium sized cohort for an entity of our scale and any increases require increased diligence to maintain visibility over those suppliers to reduce the risk of modern slavery within same.

On the mapping we have completed so far, almost all of our tier 1 suppliers are Australian based aside from one in New Zealand, both of which we know are low-risk geographic locations in relation to modern slavery. We are yet to find any

suppliers that are in high-risk locations. We will continue to further examine our supply chain to gain a better understanding of the locations of our suppliers.

Our suppliers also provide some goods and services that are considered higher risk according to the available resources in this area such as: tyres, fuel, vehicles, security, cleaning, information and technology hardware and software, stationery and food and groceries.

From time to time we use recruitment agencies to supplement our workforce and support increased demand. We recognise that we have less visibility and control over those workers and their employment terms and conditions.

COVID-19 Pandemic

The COVID-19 Pandemic has caused unprecedented and unanticipated pressures on world economies and business. Whilst we believe some of these pressures are beginning to lift, we understand many will feel the impacts for years to come. As such, the risk considerations from last reporting period continue to apply and we continue to consider how the pandemic may have increased the vulnerability of workers in our operations and supply chains. We are aware of business closures, budgetary tightening, increasing unemployment, decreased job stability, shifts in consumer sentiment and demand, order cancellations, wage-cuts, decreased air-freight capacity, increased freight and transport costs and port congestion. We are mindful that these mechanisms all act to place many more workers in the kinds of vulnerable conditions where they are pushed closer to, or into modern slavery. These uncertainties and impacts are of course ongoing.

3 Actions to Assess and Address Risks

The Prixcar Group has continued to work on identifying the potential risks of modern slavery in our operations and supply chain and taking action to address and assess those risks. We are aiming to continually improve in our approach over time and have sought expert advice to assist our journey.

At Prixcar our values shape everything that we do. We want to provide service excellence with passion and care for our people and clients, and do so by following our guiding Prixcar Performance Culture, as follows:

- To always operate as one team;
- To always make work meaningful and fun;
- To celebrate our successes as one team;
- To always do what we say we will;
- To continuously improve and innovate;
- To commit to doing our best work;
- To build a happy, healthy and safe workplace;
- To always be responsible and respectful;
- To maintain trusting relationships.

We believe these values entrench a culture that is conducive to addressing and assessing modern slavery risks. We have policies and processes in place that help ensure these values are upheld and act to address and assess risks of modern slavery in our operations and supply chains.

Our Staff

Our employees work under an enterprise agreement approved by the Fair Work Commission, 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. We also have clear policies around training, lockers, lunch facilities, parking and other benefits. Our workers are free to join the Amalgamated Metal Workers Union or Transport Workers Union, should they wish to do so.

Our policy is to recruit from existing Prixcar Group team members whenever possible using our in-house recruitment and Human Resources team. As above, we utilise recruitment companies on occasion primarily to assist us with increased demand, but agency workers do not make up a large percentage of our workforce. We provide extensive training equally to these agency workers as to all other workers.

Our Workplace

Our Work Health and Safety Policy enshrines our commitment to providing a healthy and safe workplace for all employees, visitors and our clients. It allows our staff to raise any concerns regarding health and safety with our nominated Work Health and Safety Committee representatives. We care for our employees and aim to provide safe systems, adequate training, maintain the currency of our procedures, provide systems for emergencies and accidents, and measure the efficiency and performance of these systems. Our policies make clear to our workers that during a period of rehabilitation from any workplace injury, no team member will suffer financial hardship or be prejudiced in any way.

Our Personal Protective Equipment (**PPE**) Policy provides our commitment to protecting the work health, safety and wellbeing of our workers, visitors and contractors. We provide PPE to all employees alongside instruction and training to ensure our workers are sufficiently protected from any hazardous or unsafe conditions. We also provide a smoke-free environment, and one free from alcohol and drugs.

Prixcar's Equal Opportunity Policy displays our commitment to ensuring that our policies, procedures and practices are free of any bias or discrimination. Our Anti-Harassment Policy provides our staff with the assurance that we are committed to providing a safe and healthy workplace, free from bullying and harassment and that we have zero tolerance for such conduct. All employees are protected by this policy and we treat reports of such issues very seriously.

We have a Code of Behaviour that sets standards of behaviour, honesty and professional practice which is made available to each team member of the Prixcar Group. In the event of a breach of any of our policies or procedures is found, our Discipline and Counselling Policy provides transparency around how we deal with such breaches.

Our quality system also conforms to an external quality management system (ISO 9001) and is the basis of our stringent quality requirements for processing clients' products. Our operations are audited internally by Prixcar personnel, as well as by a third-party certification body. This enables us to check in on the efficiency of our services. We continuously monitor our services using well established Key Performance Indicators allowing us to re-evaluate our services and make sure we are providing the best possible service. These processes are not yet targeted to

specifically pick up on modern slavery risk indicators but do provide a substantial level of oversight over our end to end operations.

We acknowledge that many of the policies above cover topics that are incidental to modern slavery. Issues like underpayment of workers and substandard working conditions aren't examples of modern slavery, but we believe that poor practices in these areas may indicate the presence of modern slavery or may escalate into same in time. As such, we see that our healthy due diligence and processes in these areas lower the risks of modern slavery and human rights issues in our operations and supply chains.

We are in the process of implementing suitable next steps in relation to our operational approach to assessing and addressing modern slavery risks and will endeavour to build upon our approach in future reporting periods.

Suppliers

Our subcontractors are subjected to an interview process, background checks and performance reviews. Contract lengths depend on the type of supplier. Prior to entering into any contractual agreements, all processes are carefully documented and signed off by both our personnel and the client, to ensure that the client's needs will be met to the highest standard. Our contracts contain various terms that require compliance with Australian laws and therefore provide protections in relation to the MSA, *Fair Work Act 2009 (Cth)* and the *Australian Criminal Code Act 1995 (Cth)*.

We have continued the process of mapping our supply chain on the basis of geographic location, category of goods/services, and spend. We understand that our emphasis must be on *risks to people* in undertaking this exercise. We are utilising the Global Slavery Index in this process and have continue to update and collate our list of all suppliers in our recent reporting period and are steadily gaining further data on each. This will enable us to take a more targeted approach to our supply chain as we endeavour to take further actions to assess and address the risks of modern slavery within same.

COVID-19 Pandemic

We are aware that whilst restrictions around the pandemic has eased there is some continued vulnerability of our workforce and our suppliers' workforces to exploitation due to the pandemic. We have put protective systems in place to ensure our workers and the workers that interact with our operations are not put at any heightened risk. We have continued to keep our depots open allowing increased staff retention and job security for our workers, as well as the assurance of continued business for our suppliers. We do acknowledge that having workers out in the community in the pandemic can pose health risks for those workers, though note this risk has decreased in light of current vaccination rates. Prixcar continues to be compliant with all legislative mandates regarding vaccination and COVID-19 risk mitigation and as these laws change our business operations change to reflect the new dynamics. We still have mechanisms in place such as enhanced cleaning in particular on vehicle touch points such as door handles, steering wheels, gearsticks, indicators, hand-breaks, keys and other high-touch areas.

4 Consultation

As above, Prixcar Services wholly owns one subsidiary: Prixcar Transport Services (ABN 18 158 361 721) (together, the **Prixcar Group**). Prixcar Transport Services does not undertake governance or management functions, it shares the same Board as Prixcar Services which undertakes this function for both entities.

The Board of Prixcar Services is therefore responsible for governance and management of the Prixcar Group and all policies and procedures enacted at that level apply to both entities. As such, the Board of Prixcar Services is responsible for the approach to modern slavery for both entities. Given this centralised structure, consultation on modern slavery occurs automatically between the Prixcar Group as business is conducted.

5 From Our Principal Governing Body

Prixcar Services makes this statement in accordance with section 13 of the *Modern Slavery Act 2018* (Cth). Prixcar Services' Board of Directors is the principal governing body under the Act.

This modern slavery statement was considered and approved of by the Board of Prixcar Services.



Alessandro (Alex) Milan

Chief Executive Officer

Responsible Member of Prixcar Services' Principal Governing Body