

MODERN SLAVERY STATEMENT 2021



INTRODUCTION

This is the second Modern Slavery Statement (“Statement”) for the CTI Logistics Limited group of companies (“CTI”) issued in accordance with the Australian Modern Slavery Act 2018. It covers the reporting period ending 30 June 2021.

The purpose of this Statement is to outline CTI’s approach to ensuring that the CTI group has robust management systems and processes in place to minimise the risk of human rights abuses and modern slavery in CTI’s business operations and supply chains.

CTI recognises that modern slavery can occur in many forms, as considered in the Act. This can include slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting practices.

The Board of CTI is fully committed to operating responsibly in accordance with the highest ethical standards and will not tolerate any form of modern slavery or abuse of human rights in the group’s business operations and supply chains.

CTI’s BUSINESS

CTI has been providing transport, logistics and business services since its inception in Western Australia in 1973. CTI was listed as a publicly listed company in 1987. In recent years the company has expanded its footprint to become a true nationwide transport and logistics service provider, with transport depots and warehouses in all mainland Australian states.

- A workforce of over 1,300 people, comprising 880+ employees and 400+ full-time subcontractor drivers across Australia.
- A fleet of more than 800 vehicles on the road, ranging from small courier vehicles to large 3-trailer road trains.
- A nationwide network of CTI-operated transport depots - covering all mainland capital cities as well as all regional centres in the NW and SW of Western Australia.
- Warehouse facilities in all Australian mainland capital cities that provide high quality storage and distribution services for a wide range of products.
- Australia’s largest distribution network for the floorcoverings sector.
- Supply base and quarantine facilities to service the needs of the minerals and energy sector in the NW of Western Australia.
- The largest independent A1 grade security monitoring station in Western Australia and is a leading player in the WA market for residential and small to medium commercial alarms, CCTV and access control systems.
- Confidential document and media storage, including archiving, imaging, and secure destruction services.

STRUCTURE, OPERATIONS AND SUPPLY CHAINS

CTI's structure, main operations and supply chains are as follows:

Entities	Main Operations	Supply Chains
Transport	<ul style="list-style-type: none"> Couriers and Taxi Trucks Parcel services Metro distribution Regional distribution Interstate linehaul 	<ul style="list-style-type: none"> Motor vehicles Trailers and ancillaries Tyres Spare parts Fuel and oil Vehicle Servicing Labour Hire Subcontractor drivers
Warehousing	<ul style="list-style-type: none"> Receivals and unpacking Warehouse storage Picking and despatch Supply base operations Wrapping and quarantine services 	<ul style="list-style-type: none"> Material Handling Equipment LPG and fuel Labour Hire Racks and racking Pallet hire
Security	<ul style="list-style-type: none"> Alarm monitoring Supply and installation of security systems 	<ul style="list-style-type: none"> Equipment suppliers Agents
Records Management	<ul style="list-style-type: none"> Archive services Confidential records destruction 	<ul style="list-style-type: none"> Equipment suppliers Cartons and packaging
Common to all Entities	<ul style="list-style-type: none"> IT services Administration and compliance Property management 	<ul style="list-style-type: none"> IT software and hardware Stationery and Office supplies Cleaning Uniforms and work attire PPE Insurance Maintenance

POLICIES AND PROCEDURES

As a publicly listed company, CTI has sound experience in maintaining the highest standards of management surveillance and risk management. CTI has a strong and long-serving board and senior management team that is supported by an experienced compliance team.

CTI believes that a well-structured framework of policies and procedures, with sound management practices requiring high standards of compliance, creates a strong cultural foundation in which corrupt practices and the abuse of human rights will not flourish.

CTI has policies and procedures in place that promote ethical and legally compliant business conduct. The policies contribute to CTI's commitment to prevent violations of human rights such as modern forms of slavery.

ACTIONS AND DEVELOPMENTS - Reporting Period Ending 30 June 2021

Modern Slavery Policy

CTI developed and published a new Modern Slavery Policy (POL-0050) in FY2020 that contained a commitment to eliminating all aspects of modern slavery within CTI's operations and supply chains. It defined the scope of unfair, unethical and illegal practices that underlie modern slavery and the responsibilities and accountabilities for implementing CTI's commitment to its elimination. This policy was reviewed in FY2021 to ensure it comprehensively addressed all relevant issues.

Whistleblower System

CTI has a comprehensive Whistleblower system and Policy (POL-0049). This includes the ability to refer Whistleblower complaints directly in confidence to an independent third party. The system is supported by a company-wide awareness program.

Consultation within the CTI Logistics Group

CTI Logistics Limited has a number of wholly-owned subsidiary companies (listed on attachment A). CTI does not have any other part-owned or controlled companies.

CTI actively engaged and consulted with all of the CTI-owned subsidiary companies in the development of this statement. Each entity was required to assess the potential risks that could arise from their operations and supply chains. Directions were provided by CTI's compliance team to assist the various entities to focus on risks that might possibly cause or contribute to modern slavery practices - even if inadvertently. The outcomes from the assessments were consolidated and reported to CTI's board and executive management team and have been incorporated into the CTI Modern Slavery Statement.

Risk Analyses

CTI's Audit and Risk Committee conducted a wide-ranging program of risk assessment across all CTI entities and operations. The risk assessments indicated that most CTI operations and supply chains do not or are unlikely to create opportunities for the abuse of human rights and modern slavery to develop. CTI's major suppliers are typically large multinationals or Australia-wide organisations with sound reputations (e.g. motor vehicles, fuel, tyres, IT equipment). Many of these organisations have published their own Modern Slavery Statements.

The risk assessments identified some possible risk areas within CTI's operations that needed further examination. One of these is the use of subcontractor drivers, where CTI does not have full visibility of the arrangements between subcontractor vehicle owners and the drivers they engage to drive their vehicles. This was explored in more depth during the reporting period and CTI's investigations provided satisfactory evidence that these drivers were being paid in accordance with legislated requirements.

Building Awareness

CTI developed an e-learning lesson that defines the scope of CTI's modern slavery program and explains the risks of such practices developing, even inadvertently, within CTI's operations and supply chains. The lesson contains a guide of what to look for to identify any possible risks of modern slavery practices.

All of CTI's staff from supervisory levels and upwards are required to complete this training. Toolboxes were conducted during the reporting period to raise awareness of modern slavery amongst staff members.

Mail-out of Declarations

CTI compiled a Modern Slavery Declaration and sent this to the supply chain providers that were identified as being in medium and higher risk industry sectors.

The objective of this exercise was to build awareness and understanding of the risks of modern slavery within the supply chain and develop commitment and compliance.

CTI received modern slavery declarations from 56 suppliers, some of whom were asked for additional information. The completed declarations were reviewed by CTI and judged as compliant.

Mitigation - Contractual Obligations

CTI has included contract clauses in all relevant documents that include a commitment for CTI suppliers and customer to not engage in modern slavery and to implement policies and procedures to ensure compliance with this undertaking.

This initiative was extended to cover CTI's printed and web-site terms of trade and websites during the reporting period.

FUTURE COMMITMENTS

Over the next year CTI will focus on:

- Reviewing and updating the risk analyses - with a focus on areas of potential risk emerging from changes in the business environment.
- Refreshing and expanding the awareness training program.
- Expanding and repeating the exercise in obtaining Modern Slavery Declarations from suppliers and customers.
- Developing greater visibility of the arrangements between subcontractors and their staff and sub-subcontractors.

Assessing Effectiveness

CTI recognises the importance of assessing the effectiveness of the measures we have undertaken and are planning to undertake. During the next reporting period we will establish key performance indicators to assess the effectiveness of our actions across four key performance areas:

- Governance and due diligence.
- Procurement and supply chain.
- HR practices, training and education.
- Grievances and reporting.

BOARD APPROVAL

This Statement was approved by the board of CTI Logistics Limited.



David R. Watson

Chairman

December 2021

Attachment A

CTI LOGISTICS LIMITED (Parent Company) and Subsidiary Companies

This list covers CTI Logistics Limited (ABN 69 008 778 925) and all of its controlled entities. All of the subsidiary companies listed are fully owned by CTI Logistics Limited. The registered address for CTI Logistics Limited and all subsidiary companies is 1 Drummond Place, West Perth, Western Australia 6005.

CTI Logistics Limited was founded in 1973 and the company was listed on the ASX in 1987 (CLX).

Registered name	ABN	Trading name(s)	Services
CTI Freight Systems Pty Ltd	66 009 472 628	CTI Logistics Warehousing & Distribution CTI Minerals & Energy Logistics	Warehousing, Distribution Supply base logistics, Quarantine services
CTI Transport Services Pty Ltd	44 009 238 439	CTI Warehousing & Distribution (SA)	Warehousing, Distribution
CTI Logistics (NSW) Pty Ltd	82 153 063 382	CTI Warehousing & Distribution (NSW)	Warehousing, Distribution
CTI Logistics (VIC) Pty Ltd	26 063 795 568	CTI Warehousing & Distribution (VIC)	Warehousing, Distribution
CTI Transport Systems Pty Ltd	76 009 139 315	CTI Taxi Trucks	Taxi Trucks, Fleet management
CTI Freightlines Pty Ltd	22 009 291 310	CTI Freightlines Broome Freightlines	Freight, Line haul
CTI Nationwide Logistics Pty Ltd	86 009 265 347	CTI Logistics Interstate	Interstate Freight, Line haul
CTI Xpress Systems Pty Ltd	45 067 742 714	CTI Xpress Systems	Freight, Parcels, Taxi Trucks, Warehousing
Foxline Logistics Pty Ltd	96 086 449 952	Foxline Express Parcels Foxline Taxi Trucks	Freight, Parcels, Taxi Trucks
CTI Freight Management Pty Ltd	34 009 391 431	CTI Logistics Regional Freight, Bunbury Freight Services, Stirling Freight Express	Regional Freight
CTI Couriers Pty Ltd	17 051 430 338	CTI Couriers	Couriers, Taxi Trucks
Bring Transport Industries Pty Ltd	73 008 767 155	Bring Couriers	Couriers, Taxi Trucks
Mercury Messengers Pty Ltd	21 008 779 093	Mercury	Couriers, Taxi Trucks
Action Logistics (WA) Pty Ltd	74 009 151 008	Action Couriers	Couriers, Taxi Trucks
CTI Taxi Trucks Pty Ltd	82 008 777 731		Couriers
CTI Security Systems Pty Ltd	72 009 302 032	Securus	Security services
CTI Security Services Pty Ltd	83 009 236 104	ARM Security	Security Monitoring
CTI Records Management Pty Ltd	71 083 767 999	CTI Records Management	Records Management
G.M.Kane & Sons Pty Ltd	17 000 408 800	GMK Logistics	National Warehousing, Distribution