



Modern Slavery Statement

INTRODUCTION

EROAD's purpose and values encompasses a commitment to social responsibility. Accordingly, EROAD is committed to upholding human rights practices in all our business-related activities. This involves ensuring that slavery and human trafficking are not taking place in any part of our business practices. Companies that associate with modern slavery in any form¹ run the risk of damaging their reputation and brand.

This statement is made in accordance with our obligations as a listed entity on both the NZX and ASX and under the Modern Slavery Act 2018 (Australia) and Transparency and Supply Chains Act 2010 (California). From FY22 onwards, EROAD will publish an annual Modern Slavery Statement in accordance with our obligations as a socially responsible entity.²

EROAD'S BUSINESS & ORGANIZATIONAL STRUCTURE

EROAD modernises road charging and tax compliance and health and safety compliance for road transport by replacing paper-based systems with easy-to-use electronic systems that also improve fleet management.

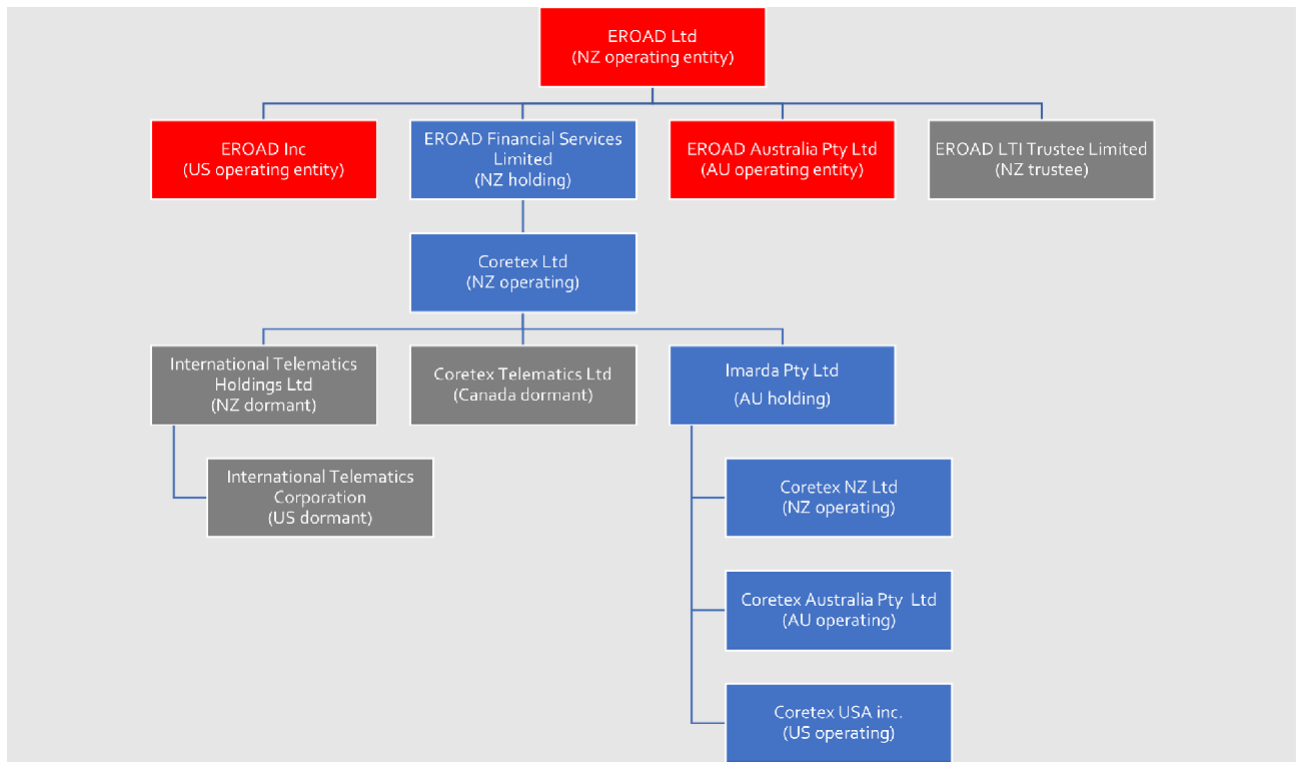
The company is headquartered in Auckland, New Zealand, and dual-listed on the Australian Stock Exchange (ASX), and New Zealand Exchange (NZX). Its US business is based in Portland, Oregon, and San Diego California, serving customers with vehicles operating in every US mainland state.

EROAD introduced the world's first nationwide electronic road user charging (ERUC) system in New Zealand. EROAD is also a leading provider of health and safety compliance services, including vehicle management and driver behaviour and performance measures.

EROAD's business includes EROAD Limited and all related entities. EROAD operates in New Zealand, Australia, and North America and now includes all Coretex entities. EROAD provides proven tailored solutions in four verticals: Professional Trucking (including less-than-truckload (LTL)), Refrigerated Transport, Construction & Civils, and Waste & Recycling.

¹ Modern slavery risks include all forms of slavery or practices like slavery such as child labour, forced or compulsory labour, bonded labour, serfdom, and recruitment for armed conflict.

² The New Zealand Ministry of Business, Innovation and Employment (MBIE) is presently developing modern slavery and worker exploitation legislation for all organisations in New Zealand. EROAD will address these requirements once they are known.



SUPPLY CHAIN

EROAD Limited manufactures its products in various locations in Asia (e.g., China, Philippines, Singapore and Malaysia). We have distribution centres in New Zealand, Australia and North America. We use a variety of freight methods including road, sea, rail and air, with the majority of our freight going via air travel. We refurbish products where possible with a focus on sustainable supply chain management.

RISKS OF MODERN SLAVERY PRACTICES

Risk identification

EROAD is aware that slavery-like practices can include underpayment of wages, excessive working hours, debt bondage and confiscation of personal documents; and that these risks are typically associated with other human rights transgressions such as inadequate grievance mechanisms, discriminatory practices, and harassment.

Slavery-like practices are not restricted to a specific part of business, but may be prevalent along the entire supply chain, within core operations (own employees and third parties), as well as at customers. Of these three areas EROAD has determined that the greatest *relative* risk resides within our supply chain.

While modern slavery risks exist in every country, the Global Slavery Index identifies Asia as being highly vulnerable to, and having a high prevalence of modern slavery. The Index also identifies similar vulnerabilities and prevalence levels in the electronics sector (component and equipment manufacture), and freight (particularly shipping).

To date, EROAD has not identified or become aware of any instances of human trafficking or slavery within our operations or supply chain. *(For information on the impacts of COVID-19, refer to the note below).*

Risk assessment and evaluation

With our supply chain being our main area of focus, we have adopted a multi-pronged approach to assessing the risk. This includes supplier pre-qualification due diligence; supplier self-assessment (via our Sustainable Supplier Questionnaire); and on-site assessment and audits to 'ground truth' the supplier governance documents and other pertinent information provided.

EROAD has a Sustainable Supplier Questionnaire which is sent out to all key suppliers we work with. The section on social responsibility requires suppliers to disclose whether they have any human rights and/or labour

policies in place, and to provide these where applicable. Likewise with any safety and wellbeing policies. EROAD is committed to upholding human rights practices in all our business-related activity.

We ask for a statement to be made on fair labour practices and following of labour laws within their territory of operation. Should red flags be identified, we would engage with the relevant supplier to discuss, and where required, agree actions. We acknowledge that rapid termination of suppliers involved in human rights violations may not be in the best interest of vulnerable people within the supply chain, and therefore we use this as a measure of last resort.

ACTIONS TAKEN BY EROAD TO ADDRESS MODERN SLAVERY RISKS

Integration across our business

We have zero appetite for slavery and human trafficking risks across our business. Accordingly, we expect all of EROAD, organisations in our supply chain, as well as our contractors and third parties to comply with this commitment.

Our Code of Ethics, Code of Conduct, Diversity and Inclusion Policy, Whistle-blower Policy, Sustainability Policy and Risk Management Policy all reinforce our value of doing what's right by committing to acting ethically and with integrity in all our business relationships to address modern slavery risks.

We have a multidisciplinary team, with representation from People & Capability, Global Operations, Supply Chain, Product and Legal, overseeing the application and assurance of these requirements.

Recruitment and employment practices

EROAD's People & Capabilities Team is responsible for making sure that modern slavery does not feature in EROAD's internal operations. We have robust processes in place around pre-employment screening, employment conditions and workplace behaviour. Expectation of workplace behaviour and employee safety is provided to all EROADers when they commence their employment with EROAD.

Procurement practices

EROAD's procurement policies and processes strive to support partnering with other socially responsible and reputable organisations across our supply chain and in support of our core operations (i.e., business support services, recruitment providers and professional employer organisations, etc.).

To minimize the disparate and inadequate application of our policies our key procurement requirements are predominantly centralized in the business. Furthermore, business relations with our key suppliers, contractors and third-party providers are well established, which contributes to improved relations with these entities, and greater knowledge of their business practices.

Awareness and training

EROAD raises awareness of modern slavery issues by ensuring this statement is readily accessible by all relevant stakeholders, beginning with all directors and Executive Team members who have been briefed on the requirements of the Australian Modern Slavery Act 2018.

To mitigate the risk, we provide training and appropriate guidance materials to relevant employees across the business. This is intended to help staff recognise the risks of modern slavery and human trafficking in our business and supply chains.

EROAD also provides a notification-mechanism to capture suspected instances of serious wrongdoing, including slavery-related practices. These may either be reported to EROAD's General Counsel or anonymously through our Whistle-blower facility. This service is managed by Deloitte, an independent third party, on behalf of EROAD and may be accessed by email, webform and phone.

MONITORING AND REVIEWING THE EFFECTIVENESS OF OUR ACTIONS

Modern slavery falls within the broader realm of Environmental, Social and Governance (ESG). Consequently, ongoing monitoring and evaluation of EROAD's other ESG initiatives provides insights into the adequacy of our modern slavery risk management; and how this should be adapted to be better aligned and more

effective.

Impacts of COVID-19

The impact of the COVID-19 pandemic on international supply chains (such as commodity shortages, business closures, and economic downturn) is widely known. However, the nature and extent of such impacts directly influencing potential slavery and trafficking practices in many organisations' supply chains are less apparent – particularly beyond Tier1/direct suppliers.

Limitations on international travel for the bulk of FY22 have undermined the ability to assess firsthand conditions at manufacturing facilities within our supply chain. We anticipate obtaining a clearer picture of the situation with the lifting of travel restrictions.

OUR CONSULTATION PROCESS

To date our consultation has primarily focused on notifying key internal stakeholders and priority suppliers of the pertinent requirements they are requested to adhere to. Deeper internal and external engagement is planned for FY23.

APPROVAL

This statement is made in accordance with the Australian Modern Slavery Act 2018 and constitutes our Group slavery and human trafficking statement for the financial year ending 31 March 2022. It was approved by the Board on 25 May 2022 and will be subject to annual review.



Graham Stuart
Chairman