



## Modern Slavery Statement 2020

CEVA Logistics AG (and all its operating subsidiaries, referred to herein as "**CEVA**") is committed to respecting and valuing human rights on a global scale. Operating ethically and respecting employees, customers and stakeholders are fundamental core values at the heart of CEVA's corporate culture.

The Commonwealth *Modern Slavery Act* 2018 ("**Modern Slavery Act**") was passed by the Australian Parliament on 29 November 2018 and came into force on 1 January 2019. The Modern Slavery Act establishes a Modern Slavery Reporting Requirement ("**Reporting Requirement**") for certain large businesses and other entities in the Australian market.

Prior to the establishment of the Modern Slavery Act in Australia, the United Kingdom *Modern Slavery Act* came into effect on 29 October 2016 putting a new focus on preventing slavery and human trafficking. Pursuant to the Modern Slavery Act's provisions, this Modern Slavery Statement outlines the analysis and steps CEVA has taken to prevent human trafficking and modern slavery in its global business and locally in Australia.

### ***Joint modern slavery statement and process of consultation***

This is a joint Modern Slavery Statement ("**Statement**") made under section 14 of the Modern Slavery Act for the reporting period 1 January 2020 to 31 December 2020. The statement is made by the following entities:

- CEVA Logistics (Australia) Pty Ltd;
- CEVA Freight (Australia) Pty Limited, which wholly owns CEVA Logistics (New Zealand) Limited which in turn wholly owns Logistics Link Pty Ltd

(together, "**CEVA ANZ**").

This Statement applies to the activities and operations of CEVA ANZ and its affiliates and their respective supply chains.

CEVA ANZ has one, unified Risk and Governance Committee that sits locally in Australia and is responsible for identifying, investigating, managing and mitigating CEVA's risks and ensuring compliance with the Modern Slavery Act. Notwithstanding the above, in preparing this Statement, each reporting entity consulted with each entity it owns/controls as appropriate for the operations and supply chains of that entity, for example, by taking the actions referred to in this statement together or by notifying the relevant stakeholders of each entity that this statement was being prepared and providing an opportunity to respond.

### ***Organisational Structure, Operations and Supply Chains***

CEVA is a leading global logistics company operating in more than 160 countries around the world. CEVA's Australian arm, CEVA ANZ, currently operates in all Australian States and Territories. CEVA ANZ operates nationally providing contract logistics and freight management services to customers. With over 1,300 employees, over 100 locations and combined storage space of over 1,200,000m<sup>2</sup> with warehouse capabilities, ground transport, freight management, vehicle logistics services and value-added services, CEVA ANZ offers integrated, end-to-end logistics solutions to deal with the complexity of today's supply chains. Our head office is based in Truganina in Victoria.

Through CEVA's lean culture and Operational Excellence, we address increased demand for operational efficiency and flexibility. Our global coverage allows us to serve customers anywhere around the world. Our ability to structure

operations around customers' KPI's and robust industry experience helps us stay focused on specific logistics needs and deliver value-added service. Through CEVA's Control Towers around the world, we control and provide visibility on the flow of goods and information. We run our business in an environmentally conscious way, and all these together help us optimise cost and performance throughout customers' supply chains.

Below is an overview of CEVA ANZ's key business areas and their respective operations and supply chains:

**CEVA Logistics (Australia) Pty Ltd:**

Activity	Description of key services and supply chains
Warehousing	<p>Logistics services for 3PL warehousing operations, variety of storage options, stand-alone (dedicated) and multi-user (shared) site options, depot management (manned and unmanned), national state-based spares network, emergency call out/after-hours call centre, customer pick up and value-added services</p> <p>Key suppliers for this business line include labour hire agencies, uniforms, MHE and equipment companies, site and equipment maintenance suppliers (which includes cleaning and security). CEVA uses only large Australian based and global companies for these services and does not use offshore providers.</p>
Transport and Distribution Services	<p>Comprising:</p> <ul style="list-style-type: none"> <li>- Ground Transport, which includes the national line haul network, vehicle storage and processing, national distribution services, capital city milk run and courier network; and</li> <li>- Vehicle Logistics, which includes the transport of finished vehicles (car carrying), national line haul network, national distribution services and capital city network.</li> </ul> <p>Local contractors are used for both the Ground Transport and Vehicle Logistics services. CEVA operates out of all states, and contractor density is weighted 25% across Queensland, New South Wales and Victoria. For Ground Transport, the vehicles used for Transport and Distribution services are supplied through contractors. For Vehicle Logistics, CEVA owns the trailers and these are procured by local Australian suppliers.</p>
Value Added Services	<p>CEVA operates a control tower, reverse logistics, claims processing, warranty processing, returns processing, call centre functions, night key entry service, kitting and assembly, packaging engineering and supply, quality control processes, project build (i.e. store fit outs), 24/7 break fix callout, general consultancy services for supply chain, networks and warehouse design.</p> <p>The call centre functions are performed through a large offshore provider based in Manila in the Philippines. Most of the other value add services are performed by local staff working at our offices in Australia and New Zealand, or through our existing large labour hire agencies.</p>
Back Office Functions	<p>CEVA outsources its AR and AP administrative finance functions on an accounting and transactional basis. Its AR and AP functions are based out of India, and CEVA has engaged a reputable large scale supplier for this function who is listed on the stock exchange and was originally procured by our GHO Team. Our ADP function is provided by a reputable Australian company.</p>

**CEVA Freight (Australia) Pty Ltd:**

<b>Activity</b>	<b>Description of key services and supply chains</b>
Airfreight Services	Freight forwarder, comprising cost effective consolidation of freight for international air shipments, including highest priority shipments, maximum flexibility across all lanes and sizes. The main supplier for these services is large air carriers.
Ocean Freight Services	Freight forwarder, comprising shipments of full container load (FCL) or less than container load (LCL) freight management services and ocean charter, and project solutions. The main supplier for these services is large, global and reputable shipping lines and ocean carriers.
Customs Brokerage	National brokerage team based in Australia and New Zealand with large support team, in- house brokerage operations in Sydney, Melbourne, Brisbane, Perth, Adelaide, Auckland, Wellington and Christchurch. All brokers are Quarantine Accredited and fully compliant with Australian Quarantine, New Zealand MAF, Imported Foods regulations and requirements, including management and compliance with Australian Customs bonded 77G warehouse in all major cities, compliance with all customs and associated bodies and ISO 9001 accredited.
Domestic Transport	Comprising ground transportation services from depot to port. The key suppliers for these services include domestic, small medium and large independent transport carrier subcontractors.
Value Added Services	Comprises assessment of landed costings, electronic invoicing, consultancy services (i.e. compliance audits and valuation). CEVA holds the following accreditations: <ul style="list-style-type: none"> <li>- Australian Quarantine and Inspection Service (AQIS)</li> <li>- International Federation of Information Processing (IFIP)</li> <li>- Accredited Air Cargo Agent Scheme (AACAA)</li> <li>- Labour Hire Licence</li> <li>- Australian Trusted Trader (ATT)</li> </ul> These value-add services are undertaken by local staff working at our offices in Australia and New Zealand.

**Logistics Link Pty Ltd (trading as ANL Logistics):**

<b>Activity</b>	<b>Description of key services and supply chains</b>
Export	Includes booking, local transport, loading, warehouse and fumigation, customs clearance, consolidation, track and trace, Incoterms - Ex Works (EXW)/Free on Board (FOB)/Delivered Duty Paid (DDP). The key suppliers for these services include Australian based, local transport and warehousing suppliers.
Import	Customs clearance, quarantine facilities, unloading, warehousing, fumigation, deconsolidation, transportation of FCL, LCL and air, track and trace, pick and pack orders. The key suppliers for these services include Australian based, local transport and warehousing suppliers.

Sea Freight Services	<p>ANL Logistics are part of the third largest container shipping line in the world being CMA CGM and leverages an extensive network and frequent sailings along with competitive pricing and space guarantees</p> <p>The main supplier for these services is large container companies.</p>
Road Freight Services	<p>Full range of transport services including conventional FCL and LCL same or next day delivery, side loader FCL delivery, drop trailer and shuttle operations, project cargo transport on extendable and drop deck trailers. Local contractors are used for these services.</p>
Rail Transport Services	<p>ANL Logistics offers rail solutions on a wide range of freight corridors to move cargo to its destination quickly and efficiently.</p> <p>Key suppliers for these services are large rail transport providers throughout Australia and New Zealand.</p>
Air Transport Services	<p>Through strategic alliances, we offer air freight worldwide with a reliable and professional service.</p> <p>The main supplier for these services is large air carriers.</p>
Customs Clearance	<p>Advice on tariff listing, valuation and regulatory advice, customs entry auditing, duty drawbacks, duty refunds, landed costings, shipment monitoring and status reporting.</p> <p>These services are undertaken by local staff working in Australia and New Zealand.</p>
Warehousing	<p>Warehousing services from general to refer storage and provides full visibility of status of goods in the warehouse with inventory and vendor management capability.</p> <p>The key suppliers for these services include Australian based, local transport and warehousing suppliers.</p>
Packing/Unpacking	<p>Container packing and unpacking for dry and reefer cargoes, palletised, hand pack and unpack, slip sheeting, maximizing stowage utilizations and product integrity solutions, packing of machinery and over dimensional cargo to specialized equipment like flat racks, bolsters and open tops, fumigation and steam cleaning for second hand machinery and car imports, 77G bonded warehouse facilities for FAK cargo and chiller and frozen cross docking</p> <p>The main supplier for these services is Australian based labour hire companies.</p>

In addition to the above, CEVA ANZ engages a range of other suppliers to deliver our services to clients and manage our various office locations. These include professional services such as legal, accounting and insurance services, IT services, property management and maintenance services for our office locations, cleaning services, providers of stationary, office equipment, uniform suppliers and catering services.

### ***Risks of modern slavery***

CEVA does not currently use any third parties to assist in mapping potential modern slavery risks in its global operations and supply chains. However, CEVA has an experienced Global Trade Compliance ("**GTC**") team that identifies and mitigates regulatory trade compliance risks throughout the global organization. GTC has included human trafficking in its risk profile and will continuously identify risks and gaps pertaining to CEVA's Human Rights Compliance Program and in CEVA's global supply chains. Appropriate action will be taken for any identified risks.

Locally, CEVA ANZ also has a dedicated Risk and Governance Committee that is responsible for identifying and coordinating CEVA ANZ's response to modern slavery risks.

Whilst most of CEVA ANZ's suppliers are based in Australia and are considered to be at a low risk of modern slavery practices, CEVA ANZ has identified that some parts of our operations and supply chains may be at a higher risk of having modern slavery practices. In particular:

- The call-centre functions performed for our vehicle logistics business through an off-shore provider based in Manila in the Philippines. While the offshore provider is a large, globally recognised provider on outsourcing services, CEVA ANZ recognises that there may be risks of modern slavery practices inadvertently occurring in their extended supply chains.
- Sub-contracting of our ground transport services by suppliers. While these contractors are based in Australia, CEVA ANZ has identified that there may have been potential issues in the past due to a lack of visibility over their wages and conditions of engagement.

To address and mitigate these potential risks, and other potential risks of modern slavery practices in our operations and supply chains more generally, CEVA ANZ has taken the actions outlined in the next section below. Specifically, in relation to the offshore provider in Manila, our procurement team has undertaken a further review of their operations, including by obtaining copies of their internal code of conduct and policies dealing with modern slavery and human rights issues. We have also included a Modern Slavery clause and our Supplier Compliance Covenants in this agreement. In relation to our ground transport services, we have made changes to our on-boarding processes to increase visibility and ensure supplier adherence to our values. This includes, among other things, requiring all new contractors to sign our Service Level Agreement ("**SLA**") and Supplier Compliance Covenant, both of which require our contractors to comply with applicable laws and regulations and not engage in modern slavery practices.

As a business, we are committed to continuously improving our processes and practices to respond to potential risks of modern slavery practices in our operations and supply chains.

## ***Actions taken to address risks of modern slavery***

### ***Relevant CEVA Policies***

CEVA continually strives to clearly communicate our human rights policies and expectations to our customers, third party suppliers, and agents. As a global logistics company, CEVA does not inherently produce or manufacture products, but is a service provider of choice. In providing industry-leading logistics services, it is imperative we ensure our employees, customers, and stakeholders are aware of the relevant human trafficking legislation, as well as CEVA's internal policies that promote human rights and the fight against the proliferation of human trafficking and modern slavery.

CEVA's established Human Rights Compliance Program ("**HRCP**") is an important cornerstone of our compliance program. It is a risk-based program, focused on goals that are designed to eliminate human trafficking and achieve compliance with CEVA's Code of Business Conduct, the United Nations Guiding Principles on Business and Human Rights, U.S. Government regulations and the Acts.

CEVA 's HRCP clearly communicates expectations and standards in maintaining ethical business practices and the promotion of human rights to our employees, customers, and suppliers. Globally, these standards and expectations are incorporated into Compliance Covenants, which are acknowledged by CEVA 's high risk suppliers and agents. In 2020,

CEVA ANZ made changes to its standard supplier on-boarding processes to require all new suppliers which are categorized as moderate or high risk to sign the CEVA Supplier Compliance Covenants ("**Compliance Covenants**"). If any suppliers do not wish to sign the Compliance Covenant, our procurement team will take other actions to ensure our key concerns around modern slavery risks are being addressed, such as asking for copies of their relevant policies and procedures dealing with modern slavery and/or negotiating variations to the Compliance Covenant that are acceptable to both parties.

Additionally, CEVA operates the following policies that describe its approach to identifying and reducing the risk of modern slavery and human trafficking in its operations and supply chains:

- **The CEVA Code of Business Conduct:** The Code of Business Conduct is published on the CEVA website and is the foundation document of CEVA's culture which sets out the ethics and values by which CEVA will conduct its business. The Code of Business Conduct is illustrative of CEVA's continued commitment to promoting an ethical corporate environment and complying with all laws, including those prohibiting human trafficking, slavery, forced labour, child labour, and unfair wages. Mutual respect and fair treatment of all is a cornerstone of CEVA's corporate culture.
- **Whistleblowing policy:** CEVA encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of CEVA. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. CEVA's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation. CEVA maintains a hotline and web-based reporting system, which allows individuals to report anonymously if desired in local language on any compliance concerns including concerns relating to labour practices or breach of human rights.
- **Employee Code of Conduct:** CEVA's Code of Conduct makes clear to employees the actions and behaviour expected of them when representing CEVA. CEVA strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.
- **Recruitment and Selection Policy:** CEVA uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency, including compliance with relevant labour hire licensing laws. CEVA is committed to preventing the use of slavery in our business and our supply chains and encourages employees to look out for signs of slavery and report them to a relevant manager immediately, e.g., {a) physical and psychological abuse; {b) restricted movement; {c) poor living conditions; and {d) lack of personal belongings, such as their passport.
- **CEVA's Global Anti-Corruption Policy:** In February 2020, CEVA implemented a new global anticorruption policy which requires compliance by all employees and representatives of CEVA with anticorruption laws around the world.

### **Due Diligence**

As part of its' overall global compliance program, CEVA's Compliance and Ethics ("**C&E**") team routinely conducts audits and reviews of suppliers, on-site and remotely, addressing several regulatory program areas. C&E has incorporated the HRCP into these compliance audits and reviews to identify and address human trafficking and forced labour risks in our global supply chain. During most site visits, CEVA compliance personnel will review risks and red flags with local HR management, and will explore any potential human rights issues or questions with HR.

### ***Auditing***

Further, CEVA has a comprehensive third-party due diligence program, which is a dedicated risk-based program utilized to ensure that the high risk third parties that CEVA conducts business with operate compliantly with all applicable laws (including corruption and human trafficking). The incorporation of human trafficking questions into this third-party due diligence process has allowed CEVA more insight into where risks lie, and how our high-risk third party agents and suppliers are dealing with them. CEVA also employs a global restricted party screening policy where third parties can be screened to identify whether they are restricted parties or designated human rights violators. If screening confirms restricted party status of a third party, CEVA will not conduct business with that third party. Any dealings with restricted parties shall be conducted in accordance with U.S. Export Administration Regulations.

### ***Requirement for suppliers to sign Service Level Agreement***

To ensure visibility over the contractual arrangements with contractors and sub-contractors working for our ground transport services, in 2020 CEVA ANZ implemented a process of requiring all ground transport carriers to sign our Service Legal Agreement. Among other things, the SLA requires contractors to comply with applicable laws and regulations and not engage in modern slavery practices. It also contains standard warranties and indemnities and gives CEVA audit rights with respect to contractors' business arrangements. It is intended that all contractors of CEVA ANZ Ground Transportation will sign the SLA and we are currently rolling out our new SLA which is approximately 70% completed.

### ***Requirement for supplier contracts to be reviewed by Legal***

CEVA ANZ has established a process whereby all supplier contracts are required to be reviewed by the Legal Team and approved by Legal Counsel before they can be entered into. Among other things, this process ensures that all of our supplier contracts contain appropriate clauses dealing with modern slavery risks and CEVA's expectations of suppliers in relation to modern slavery.

### ***Training***

All CEVA managers and employees are required to complete an annual training that has incorporated elements of the HRCP to include awareness, red flags, and reporting concerning human trafficking and forced labour. Additional human rights training is provided to employees when warranted as a result of the compliance audits. CEVA requires all staff within CEVA (including CEVA ANZ) to complete training on modern slavery as a module to CEVA's training program and this is completed annually.

CEVA 's modern slavery training covers:

- our business's purchasing practices, which influence supply chain conditions and which should therefore be designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage, or the provision of products by an unrealistic deadline;
- how to assess the risk of slavery and human trafficking in relation to various aspects of the business, including resources and support available;
- how to identify the signs of slavery and human trafficking;
- what initial steps should be taken if slavery or human trafficking is suspected;
- how to escalate potential slavery or human trafficking issues to the relevant parties within CEVA;
- what external help is available, for example through the Modern Slavery Helpline, CEVA's HRCP and Labour Abuse Authority and "Stronger Together" initiative;
- what messages, business incentives or guidance can be given to suppliers and other business partners and contractors to implement anti-slavery policies; and
- what steps CEVA should take if suppliers or contractors do not implement anti-slavery policies in high-risk scenarios, including their removal from CEVA's supply chains.

### ***Continued Risk Management through reporting mechanisms***

The HRCP policies and procedures, as well as "red flags", are published on CEVA's internal website, and are accessible to all employees. Additionally, CEVA has established several reporting mechanisms, such as anonymous reporting, for employees to report human trafficking and forced labour concerns. The Global Trade Compliance Team diligently investigates any reports in these areas. CEVA also continues to monitor the regulatory landscape for human trafficking and forced labour regulations, and promotes awareness of the global issue internally and externally.

### ***Awareness-raising program***

As well as training staff, CEVA has raised awareness of modern slavery issues by distributing flyers to staff and placing posters across CEVA's premises and circulating a series of emails to staff.

The flyers and emails explain to staff:

- the basic principles of the relevant modern slavery legislation;
- how employers can identify and prevent slavery and human trafficking;
- what employees can do to flag up potential slavery or human trafficking issues to the relevant parties within CEVA; and
- what external help is available, for example through the Modern Slavery Helpline.

### ***Assessing the effectiveness of actions taken***

The Risk and Governance Committee is responsible for assessing the effectiveness of CEVA ANZ's actions to address potential modern slavery risks. Last year, CEVA ANZ appointed a new Head of Committee, who chairs the Risk and Governance Committee. Part of the Committee's function will be to conduct audits of the various initiatives being implemented to mitigate modern slavery risks. The Risk and Governance Committee will continue to identify and monitor potential modern slavery risks and take appropriate action in response.

Based on our current review of our processes for reducing the risk of modern slavery practices in our operations and supply chains, CEVA is:

- requiring all staff, supply chain managers and HR professionals to complete CEVA's Global Compliance Training comprising a module on modern slavery on an annual basis;
- developing a system for supply chain verification whereby CEVA evaluates potential suppliers before they enter the supply chain; and
- reviewing its existing supply chains whereby CEVA evaluates all existing suppliers.

### ***Conclusion***

CEVA does not tolerate any violations of human rights laws by our employees, contractors and suppliers and has established remedial measures to address any issues that arise. CEVA will continue improve its processes for identifying and responding to potential modern slavery risks to ensure that we maintain a high level of integrity and respect in our business operations as well as our supply chains, both locally and overseas.



**In accordance with section 14 of the Modern Slavery Act 2018 (Cth), this joint modern slavery statement was approved by the Directors of CEVA Logistics (Australia) Pty Ltd and CEVA Freight (Australia) Pty Ltd on 14 July 2021 | 4:38 PM AEST**

**This Statement was approved by the principal governing body of CEVA Logistics (Australia) Pty Ltd and CEVA Freight (Australia) Pty Ltd on the 13<sup>th</sup> day of July 2021.**

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*Milton Tadeu Pimenta Junior*

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Director

14 July 2021 | 4:38 PM AEST

Date

**CEVA Logistics (Australia) Pty Ltd**

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*Kristina Paulovic*

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~~Director/Company Secretary~~

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Director

14 July 2021 | 4:38 PM AEST

Date

**CEVA Freight (Australia) Pty Ltd**

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