



## 1. MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT

### 1.1 About the Company

Fuwa K Hitch Australia Pty Ltd ACN 078 731 209 (**the Company**) is a foreign-owned private company, that started out as a specialised designer and supplier of transport components to the Western Australian mining and transport industries and has since expanded to become a leading supplier of trailing equipment to the Australian transport industry.

The Company, a subsidiary of FUWA Group, has its head office in Derrimut, Victoria and incorporates the national sales and distribution of the entire product offering, as well as the final assembly of the K Hitch range of axles, brakes and both airbags and spring suspensions.

The Company, as a subsidiary of FUWA Group, recognises the increasing globalisation of its industry, particularly relating to operations and supply chains. With over \$100 million in consolidated revenue in the last financial year, the Company has compiled this statement in line with the requirements of the *Modern Slavery Act 2018* (Cth) (**the Act**), which is intended to assist in reducing modern slavery and human trafficking.

### 1.2 The Modern Slavery Act 2018 (Cth) and the Company's commitment

The Act defines modern slavery as including 8 types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour services; and the worst forms of child labour.

What all forms of modern slavery have in common is the deprivation of a person's liberty by another in order to exploit them for commercial or personal gain, amounting to a violation of an individual's fundamental human rights.

Tackling modern slavery requires everyone at the Company to play a part and remain vigilant to the risk in all aspects of the Company's business and business relationships. The Company will take a collaborative approach to combatting modern slavery, including ensuring that all relevant areas of its business are aware of the actions they need to take and that modern slavery risks relating to these areas have been identified, assessed and addressed.

The Company is committed to conducting its business in a way that is ethical and socially responsible. The purpose of this modern slavery and human trafficking statement is to state the Company's commitment to protecting the rights of all who work for or on behalf of the Company, in any capacity, including employees, directors, officers, agency workers, contractors, consultants and any other third-party representative. The Company is also committed to protecting and respecting the rights of those who may be impacted by its operations, including those in its supply chains.

The Company expects all who have, or seek to have, a business relationship with it to familiarise themselves with this statement and to act in a way that is consistent with its values. The Company seeks to only do business with organisations who fully comply with this statement, or those who are taking verifiable steps towards compliance.



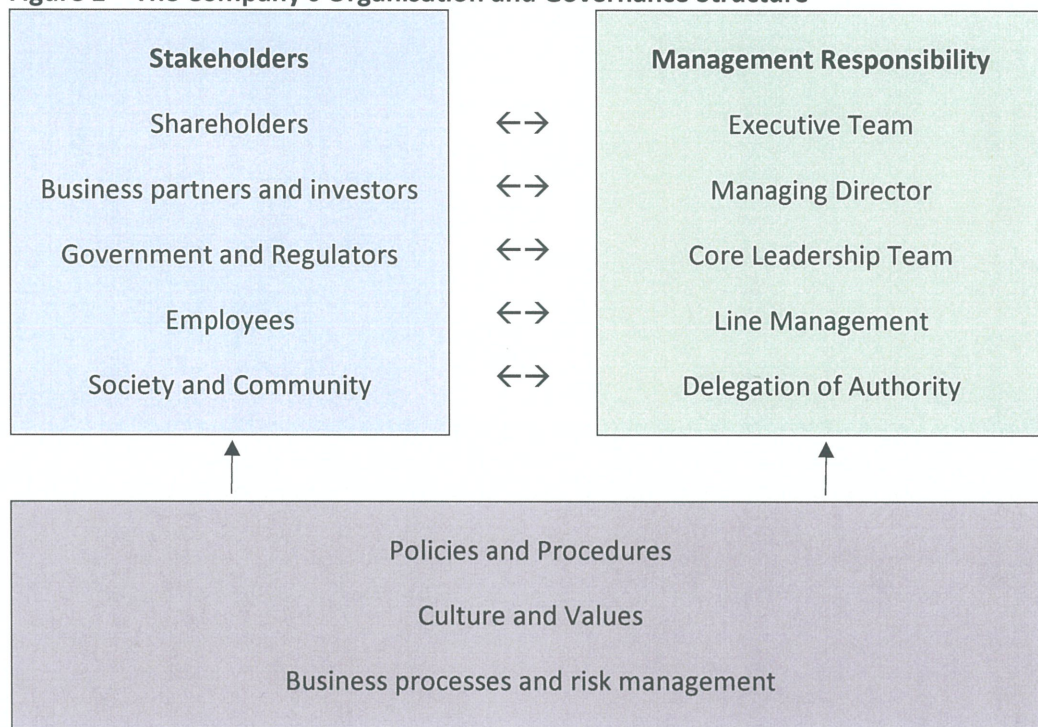
To the extent that the contents of this statement refer to obligations on the Company, they are guidelines for management or summaries of applicable legislative requirements only, and are not contractual terms, conditions or representations on which a staff member may rely.

### 1.3 The Company’s structure, operations, and supply chains

#### Structure

The Company’s organisation and governance structure is represented by the diagram in Figure 1.

**Figure 1 – The Company’s Organisation and Governance Structure**



The Company is an Australian proprietary company, led by an executive team (**Board**) with the Managing Director (**MD**) overseeing day to day operations of the Company. Underneath the Board and the MD, there are various levels of management. The current MD of the Company is Rocco Aloisio.

Management responsibility interacts with and is accountable to the Company stakeholders on a day-to-day basis. These stakeholders include shareholders, business partners and investors, the Government and regulators, employees, and more generally the wider community.





Overarching the Company's organisation and governance structure are the Company's policies and procedures, culture and values and business processes and risk management.

### Operations

The Company operates primarily as a leading supplier of trailing equipment to the Australian transport industry, with its operations including the workers it employs and its factories.

### Supply Chain

The Company appreciates its supply chain is comprised of products and services (including labour) that contribute to the Company's own products and services, including products and services sourced in Australia and overseas.

The Company has a global supply chain made up of several contracted suppliers. Our supply chain relationships include suppliers from the following sectors: Consulting Services, Logistics and Transport, Trailing Equipment Supply, Corporate Clothing, Fleet Management, Information Communications and Technology, Marketing, Office Cleaning, Office Supplies, Print and Promotional Goods and Services, Property Services and Travel.

As an Australian company, the Company is committed to engaging Australian suppliers wherever possible.

The Company recognises the products and services that contribute to its own products and services extend beyond those received from direct suppliers. The Company's supply chain also includes products and services used by indirect suppliers.

## **1.4 Company Policies and Procedures**

The Company understands the importance of protecting human rights and is committed to protecting the rights of all people. Modern slavery goes against everything the Company stands for. The Company has appropriate policies and procedures in place to assist in protecting human rights, including this statement. Further, the Company takes the workplace rights and safety of its staff very seriously, and has various policies in place for communicating and training its staff in relation to these matters.

## **1.5 Risks of Modern Slavery Practices in the operations and supply chains of the Company**

Risks of modern slavery practices means the potential for causing, contributing, or being directly linked to modern slavery through operations and supply chains. Modern slavery has the potential to exist in the Company's supply chain in several ways, including by child labour, debt bondage, forced labour and human trafficking.

The Company appreciates the following risks in its operations and supply chains:



1. Risks that the Company may cause modern slavery practices;
2. Risks that the Company may contribute to modern slavery practices; and
3. Risks that the Company may be directly or indirectly linked to modern slavery practices.

The Company considers the third risk noted above is the most likely risk to materialise (if any), being that the Company may be directly or indirectly linked to modern slavery practices.

The Company is acutely aware of the risk that its operations, products or services may be connected to modern slavery through the activities of another entity with which the Company has a business relationship, including those suppliers which maintain a majority of operations outside Australia. These business relationships include all entities in the Company's supply chain, including entities with which the Company does not have a contractual relationship. It also includes all business partners and investees and borrowers but does not include customers who purchase the Company's products and services.

The Company considers products and services arising from Office Cleaning and Print and Promotional Good sectors and some subsets of the Trailing Equipment Sector to be of the highest risk of modern slavery in the Company's supply chain. The Company appreciates its most severe modern slavery risks may not align with the volume or cost of the products and services procured.

Further, the Company realises products and services procured from select countries may constitute some of the highest modern slavery risks. This is due to a variety of factors including some countries maintaining poor governance, weak rule of law, conflict, migration flows, and socio-economic factors like poverty.

The Company is committed to continually improving how they work with business, government, suppliers and society to meet moral and ethical obligations to combat modern slavery and human trafficking. The Company is strongly committed to working with its suppliers to eliminate modern slavery from its supply chain.

Further, the Company has a commitment to ensuring its employment practices are compliant with the *Fair Work Act 2009* (Cth), applicable work health and safety legislation and applicable awards and enterprise agreements. The Company regularly reviews compliance to ensure employees are treated fairly and with respect, are of working age and working on their own free will and are paid in accordance with minimum legislative requirements (including in accordance with a relevant modern award or enterprise agreement).





## 1.6 Due Diligence and Risk Management

The Company considers the risk of modern slavery within its direct business operations to be low, particularly given all the Company products that are designed and/or supplied are overseen from Melbourne, Victoria, under the supervision of Company employees. However as foreshadowed above, the Company recognises its supply chain and customers can be indirectly exposed to modern slavery and human trafficking risks.

The Company works with its stakeholders to identify and understand the impacts of its activities. Due diligence is implemented, where appropriate, to prevent and mitigate adverse impacts arising from the Company's activities. This due diligence refers to an ongoing management process to identify, prevent, mitigate and account for how the Company addresses actual and potential adverse human rights impacts in its operations and supply chains.

The due diligence process is initiated where possible by a risk identification and assessment of suppliers prior to any contracting. These measures are discussed in more detail below.

The Company, being a small/medium Australian enterprise, understands its ability to use its leverage to minimise modern slavery risks may be limited, particularly when engaging with large conglomerate organisations further down its supply chain.

The final part of the Company's due diligence process is publicly commenting on the Company's actions, including the publication of this statement.

### Governance

Good governance is essential to the long-term sustainable success in eliminating modern slavery.

Good governance is ingrained at the Company and is the collective responsibility of all levels of management and even more widely extends to all employees. The risk of modern slavery in the Company's operations and supply chain is assessed within the Company's corporate-wide governance and risk management framework. Responsibility for assessing and addressing modern slavery risks have been assigned to a senior manager, and the Board is briefed regularly and appropriately.

### Contractual Arrangements

Through contractual arrangements and procurement principles, Company suppliers and contractors are required wherever possible to comply with the Company's policies. The Company's standard terms and conditions also aim to require minimum standards in ethical business practices, safety and environmental protection.



### Grievance and feedback

The Company has several mechanisms for stakeholders and other third parties to anonymously report suspected or actual illegal activities, breaches of human rights, and/or company policies.

The Company's clients, suppliers, and third parties can raise modern slavery related concerns via our webpage.

Grievances can also be received via direct correspondence, social media or through bodies such as the Human Rights Commission and the Department of Home Affairs.

Where concerns are raised, the Company will investigate in accordance with regulatory requirements and applicable policies and procedures and will address any concerns as appropriate. The Company's grievance procedures ensure all grievances are managed and investigated in a comprehensive, timely and transparent manner.

### Training and Communication

Modern slavery requirements and updates will be communicated to all the Company employees during meetings to ensure compliance with this statement across the Company's entire business. In 2024-2025, this will include risk awareness training for management employees which includes information about modern slavery. Further, the Company seeks to ensure that all employees who engage with the Company's stakeholders, together with employees more generally, understand this statement and can proactively identify and escalate risks or concerns.

### Statutory Declarations

Before engagement, the Company will be asking any suppliers to sign a statutory declaration (or equivalent) representing an additional commitment to work with the Company to reduce modern slavery from its organisation and supply chain.

If this is not possible, the Company will be clearly communicating its expectations to suppliers, including by ensuring that modern slavery issues are specifically addressed in supplier contracts, prequalification and other relevant mechanisms.

The Company wants to ensure it is well prepared to respond if it finds modern slavery occurring in its operations and/or supply chains.

## **1.7 Actions to date**

Actions taken to date to minimise the risks of modern slavery within the Company include:

- Working with stakeholders to assess and address risks of modern slavery.
- Developing this modern slavery statement and committing to its annual review in line with current best practice and applicable legislative requirements.





- Developing communications to suppliers in relation to the Company's expectations regarding the assessment and addressing of modern slavery in its supply chains.

The Company continues to assess the effectiveness of its actions in comparison to industry standards and practices, including by:

- Utilising established processes to provide for regular engagement and feedback.
- Tracking actions taken and measuring the impact.
- Working with suppliers to check how they are progressing, including any actions they have put in place to address modern slavery risks.

The Company is continuously developing a consultation process to ensure that the entities it owns are aware of their obligations and further the Company's goal to avoid the use of modern slavery throughout its supply chain.

## 1.8 Looking Forward

The Company's Anti-Slavery committee has set the following priorities for 2024:

1. **Reviewing Policies and Procedures** – to continue to ensure the Company's current policies and procedures are best practice and fulfil the requirements of the Act, including, in particular, any amendments to the Act resulting from the independent review of the Act commissioned by the Australian government in 2023.
2. **Modern Slavery Training** – to all staff involved in or overseeing procurement to ensure they can identify and manage modern slavery risks.
3. **Analysing supply chains** – including through the requesting of information from direct suppliers about sub-suppliers (including country of origin), engaging with key suppliers to understand how they are addressing modern slavery risks, working with other entities to carry out joint assessments of supply chains, using traceability processes and identifying existing credible assessments.
4. **Engagement and Collaboration** – with suppliers and the Company, to ensure they understand the Company's requirements in avoiding modern slavery risks. When assessing new contracts with suppliers, the Company is committed to request wording specifying prohibition of trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour services; and the worst forms of child labour.
5. **Improve supplier awareness** – of modern slavery risks and how they may contribute to modern slavery through awareness-raising and training. This includes a commitment to look beyond the direct relationship with suppliers to identify any modern slavery risks occurring at other points in the supply chain. The Company expects that its contracted suppliers hold their own suppliers to the same standards and the Company reserves the right to terminate any



contractual arrangement with a supplier where a supplier fails to comply with this statement (including by failing to appropriately assess and address the risks associated with modern slavery) or otherwise breaches the Act.

6. **Assessment of quantitative impact of actions over time** – consideration of developing a modern slavery key performance indicator to do this.

## 1.9 Conclusion

The Company has an ongoing commitment to continually monitor compliance with the Act, including by educating stakeholders, strengthening our supply chains and addressing and mitigating risks.

## 1.10 Approval

*Principal Governing Body Approval*

This statement was approved by the board of Fuwa K Hitch Australia Pty Ltd in their capacity as principal governing body of Fuwa K Hitch Australia Pty Ltd on 22 April 2024.

*Signature of Responsible Member*

This modern slavery statement is signed by Rocco Aloisio, company director of Fuwa K Hitch Australia Pty Ltd:

Signature: \_\_\_\_\_  
*R.A.*

Date: \_\_\_\_\_  
*22 APRIL 2024*