

Introduction

This Modern Slavery Statement covers the activities of R & P Matthews Pty Ltd t/a Matthews Petroleum ABN: 42 054 660 374 (Matthews Petroleum for the period of 1 July 2019 to 30 June 2020).

This inaugural statement, compiled under the *Modern Slavery Act 2018 (Cth)* outlines the actions taken to assess and address modern slavery risks in internal operations and external supply chains, and forms part of a program of commitment to further engagement and development over time.

It is recognised that while Matthews Petroleum is at the end of almost all of its supply chains, and is a price taker as opposed to market influencer in almost all of its relationships, all entities have a role to play in respecting human rights and that the actions each entity takes to assess, address, report and engage on these matters, leads to greater awareness and action and thus potentially better outcomes.

About

Industry

Matthews Petroleum is part of the downstream petroleum industry. This industry includes;

- Fuel wholesale businesses, who source transport fuels in fuel trucks from terminals and depots to clients on farms, construction sites and service stations, and
- Fuel retail businesses, who retail transport fuels to customers at service stations. There are approximately 7,300 retail fuel sites, or service stations, in Australia

The downstream petroleum industry in Australia is the end of a long supply chain in terms of its key inputs; fuel, fuel truck equipment, fuel storage equipment, fuel pumping equipment, convenience store equipment and product offering.

While to a consumer, particularly at a service station level, the industry appears dominated by large international brands, the reality is that most service stations and fuel transport and depot businesses are independent, family operated businesses, many of which are small to medium in size.

The downstream petroleum industry is categorised by high volumes of sales of fuel, at low margins (ACCC 2020).

For more information on the operation of the downstream petroleum industry see;

- ACAPMA - Australasian Convenience and Petroleum Marketers Association - <https://acapma.com.au/>
- ACCC Financial performance of the Australian downstream petroleum industry 2020-2018, April 2020 - <https://www.accc.gov.au/system/files/Financial%20performance%20of%20the%20Australian%20downstream%20petroleum%20industry%202002%20to%202018.pdf>

Entity

Matthews Petroleum is an independent quality fuel and lubricants distributor and retailer. Family owned and operated since 1969. Head office is located at 15-17 Albert Street Warrnambool VIC 3280.

Operating 2 traditional retail fuel sites or service stations and 3 unmanned fuel locations directly and 7 traditional fuel retail sites as commission agent sites, in addition to 3 depot locations, the business is a true wholesale and retail business

Employing a total of 42 staff across head office, retail and transport.

Supply Chain

Matthews Petroleum is at the end of most of the supply chains it participates in and has a policy and operational approach to engage with Australian based entities in the first instance where ever practical to support Australian owned and Australian made.

The operations have variable suppliers based on availability and is supplied from a broad range of industry subsegments, including the following;

| | |
|------------------|--|
| <u>Primary</u> | Fuel Fuel System Equipment Fuel Transport Vehicles Convenience store stock Convenience store Equipment Electricity Water Telecom Commission Agent Stores |
| <u>Secondary</u> | Fuel Systems maintenance services Fuel Transport Vehicle maintenance service Uniforms Software Promotional coordination service Promotional Materials Office consumables |
| <u>Tertiary</u> | Subscriptions Legal services Taxation services Business and financial services Waste management services |

Matthews Petroleum does not import any items from outside of Australia, though it does note that some of its Australian suppliers may do so.

Matthews Petroleum does not employ or engage any staff or workers outside of Australia.

Risks of modern slavery practices in operations and supply chains

Internal operations

Matthews Petroleum has undertaken to assess the risks of modern slavery in internal operations and they are considered to be low. In addition to the commitment to and compliance with Australian employment and safety laws, which reduces the risk of modern slavery impacts, Matthews Petroleum also actively participates in annual independent review of employment and safety compliance audits undertaken by the industry association ACAPMA.

Commission agent arrangements

Matthews Petroleum partners with other businesses who operate sites owned/branded as part of the entity network in a Commission Agent arrangement. Not technically a franchise arrangement, it is nonetheless similar in that there is a connection of branding, however the retail fuel site that is a commission agent does not own the fuel, their business simply receive a commission for selling the fuel on behalf of Matthews Petroleum. These separate businesses engage, pay and manage their own staff. While separate businesses it is recognised that they pose a risk of modern slavery connected to Matthews Petroleum and as such special engagements and requirements, including requirement to comply with all laws have been added to the relationship. Additional arrangements, including a requirement provide evidence of annual independent audit of employment and safety compliance, has been committed to for the 2021/2022 year and beyond.

Supply chains

Matthews Petroleum is an Australian entity that sources its products and services from exclusively Australian entities and suppliers, reducing the risk of modern slavery practices being present.

Australia's Global Slavery Index is at 0.6 victims of modern slavery for every thousand people, one of the lowest in the world, with the highest risks in sexual exploitation, forced marriage and forced labour. The overall risk level for Australia is Low according to the Global Slavery Index (Global Slavery Index - <https://www.globallslaveryindex.org/2018/findings/country-studies/australia/>)

Assessing and Addressing Risk

Matthews Petroleum has, as part of this first modern slavery statement reporting period, undertaken to educate itself and its decision makers about modern slavery, and to develop a plan for assessing risk now and into the future and building and developing the framework for addressing risks.

During the first reporting period Matthews Petroleum has;

- Educated itself. This included researching the nature of modern slavery, understanding government guidance, engaging with the industry Association on industry context and specific industry risk points.
- Undertaken an initial risk assessment of internal operations and developed a plan for ongoing assessment, reporting, response and review. Undertaken an initial risk assessment of supply chains and developed a plan for ongoing assessment,

reporting response and review. Updated policies to reflect modern slavery considerations.

- Added modern slavery considerations to major supply contracts.

Matthews Petroleum has developed a plan to increase the effectiveness of its modern slavery approach for both internal operations and supply chain, this plan includes;

- Internal operations:
 - expanding internal communications on the risks of modern slavery,
 - expanding training on the risks of modern slavery to other leaders in the operation,
 - communication of modern slavery statement to all staff,
 - communication of internal confidential reporting mechanisms already in place and their availability for reporting modern slavery concerns,
 - annual external employment and safety compliance auditing of internal and commission agent sites,
 - annual internal risk questionnaire and the addition of modern slavery considerations to safety and compliance meetings, and
 - quarterly executive review of risks in operations and review of internal confidential reporting mechanisms.
- Supply Chain:
 - expanding the risk assessment to include supplier questionnaires to identify product origin and product origin risk factors,
 - specifying modern slavery considerations in major supply contracts,
 - reviewing the Modern Slavery Statements of major suppliers (once published), and
 - engaging with the industry association to addressing any specifically identified areas of concern in the broader supply chain.

Any claims or instances of modern slavery will be addressed in confidentiality and in concert with advice from the industry association and government. Matthews Petroleum recognises that we are not equipped to handle instances on our own.

Assessing Effectiveness

Matthews Petroleum is committed to reviewing the approach to modern slavery and all associated processes, policies and communications. The addition of modern slavery to the quarterly executive meetings and all safety meetings, in addition to the specific modern slavery statement preparation process ensures ongoing review of systems and effectiveness.

In addition, over time, reporting on; the number of complaints received and resolved, the proportion of management and leaders trained in modern slavery and the engagement with suppliers on modern slavery will allow for the assessment of the effectiveness of the approach.

Consultation

Matthews Petroleum has no associated entities, as such consultation on this statement was conducted entirely internally and it was approved by each director prior to publication.

Other Items

This statement is the first for Matthews Petroleum. It is recognised that this is a starting point for a broader engagement, assessment and communication program and that further steps will be required in the future and Matthews Petroleum is committed to taking the steps required to do its small part in combating modern slavery.

A handwritten signature in black ink, appearing to read 'R Matthews', with a long horizontal flourish extending to the right.

Richard Matthews

Director

30/03/2021