



Modern Slavery Policy

Silk Logistics Holdings Limited

ACN 165 867 372

Version: 2.0

16 February 2024

Document History

Version	Summary of Amendments	Approved by	Approval date
1.0	New Modern Slavery Policy	Board of Directors	2 June 2021
2.0	Annual Review	Board of Directors	16 February 2024

Other Policy Details

Key Information	Details
Approval Body	Silk Logistics Holdings Limited Board of Directors
Key Stakeholders	Silk Logistics Holdings Limited Board of Directors Executive Leadership Team
Responsibility for Implementation	Chief Executive Officer Chief People Officer
Policy Custodian	Chief People Officer
Next Review Date	16 February 2026
Reference Policies	Statement of Values Whistleblower Policy Anti- Bribery and Corruption Policy Modern Slavery Code of Conduct

Legislative and Regulatory Framework

Authority	Law, Resolution or Regulation
Australian Government	Corporations Act 2001 (Cth) (" Corporations Act ")
	Modern Slavery Act 2018 (Cth) (" MSA ")
ASX Corporate Governance Council	ASX Corporate Governance Principles and Recommendation (2019) (" ASX Principles ")

1. Introduction

- 1.1. Modern slavery is an umbrella term for serious exploitative work practices that represent violations of fundamental human rights. Modern slavery can take many forms and it is a complex and multi-faceted problem.
- 1.2. Silk Logistics Holdings Limited and its subsidiaries (collectively referred to as the **Company**) is committed to conducting our business, responsibly and ethically to ensure all areas of our operations, supply chains and connected networks are free from any form of slavery.
- 1.3. This includes putting measures in place to eliminate any risks of modern slavery occurring within our business, infiltrating our supply chains or through any other business relationship.
- 1.4. We will publish an annual Modern Slavery Statement as required by the Act.

2. Application

- 2.1. This Modern Slavery Policy (**Policy**) applies to all persons working for or on behalf of the Company, in any capacity, including employees, directors, officers, agency workers, contractors, consultants and any other third-party representative.
- 2.2. The Company expects all who have, or seek to have, a business relationship with the Company to familiarise themselves with this policy and to act in a way that is consistent with its value. The Company will only do business with organisations who fully comply with this policy, or those who are taking verifiable steps towards compliance.
- 2.3. This Policy will be used to underpin and inform any statement on slavery and human trafficking that the Company is required to produce further to the transparency in supply chain requirements of the MSA.

3. Modern Slavery Act 2018 reporting requirement

- 3.1. The MSA came into force on 1 January 2019 and established a mandatory reporting regime for entities:
 - a) with consolidated revenue of at least A \$100 million in the reporting period; and
 - b) who are either an Australian entity or a foreign entity carrying on business in Australia.
- 3.2. The Company will provide reporting through an Annual Modern Slavery Statement (the "Statement"). The Statement will identify and address the risks of modern slavery in our global and domestic operations and supply chains, and actions taken to address those risks.
- 3.3. The Statement must be made publicly available online through the Modern Slavery Statements Register (<https://modernslaveryregister.gov.au/>) and our Company website no later than six months after its financial year end.
- 3.4. The Statement will include the following mandatory criteria required by the MSA;
 - a) a description of the structure, operations, and supply chains of the Company and its controlled entities;
 - b) a description of the risks of modern slavery practices in the operations and supply chains within the Company and its controlled entities;

- c) a description of the actions taken by the Company and its controlled entities to assess and address those risks, including due diligence and remediation processes;
- d) a description of how the Company assesses the effectiveness of such actions;
- e) a description of the consultation process to have the statement approved by the Board of Directors of the Company and its related entities.

4. What do we mean by Modern Slavery?

- 4.1. Modern slavery practices are a violation of human rights. The MSA's main classifications of 'modern slavery' are as follows:
 - a) Slavery: where ownership is exercised over an individual.
 - b) Servitude: involves the obligation to provide service imposed by coercion.
 - c) Forced and compulsory labour: all work or service, not voluntarily performed, which is obtained from an individual under the treatment of force or penalty.
 - d) Human trafficking: involves arranging or facilitating the travel of another with a view to exploiting them.
 - e) Debt bondage: describes situations where the victim's services are pledged as security for a debt and the debt is manifestly excessive or the victim's services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined.
 - f) Child labour: whilst not always illegal in the jurisdiction in which it takes place, child labour involves the employment of children that is exploitative or is likely to be hazardous to or interfere with a child's education, health (including mental health), physical wellbeing or social development.
 - g) Deceptive recruiting for labour or services: make misleading representations in relation to the description of the job to recruit new employees.
- 4.2. All forms of modern slavery have in common the deprivation of a person's liberty by another to exploit them for commercial or personal gain and amount to a violation of an individual's fundamental human rights.
- 4.3. Silk takes a zero-tolerance approach to any form of human rights abuses, including modern slavery in our operations and supply chains. We expect all employees to play a part and remain vigilant to the risk in all aspects of the Company's business and business relationships.

5. Modern Slavery in our operations and supply chain

- 5.1. Modern slavery instances are often complex and hard to detect, especially those we may be connected to through activities of our suppliers and their supply chain.
- 5.2. Identifying these risks is the first step to minimizing them and increasing our ability to detect modern slavery practices through our governance practices.
- 5.3. We have identified the following key areas where modern slavery risks may occur:

A. Risk in Operations

Our employees operate under an enterprise bargaining agreement or Award and are governed by the Australian labour laws. We also conduct the majority of our own recruitment.

We engage contractors, primarily for short-term or ad hoc roles, in the contract logistics business and for specific project roles in the Support Office from time to time. We negotiate the terms of the agreement directly with the individual contractor or with labour hire firms. In the case of dealings with labour hire firms, we require the firms to confirm its compliance with practices to reduce the risk of modern slavery associated with its operations and that employees are to be paid in accordance with applicable Awards as a minimum.

We acknowledge that the use of third-party labour providers or arrangements that involve the higher prevalence of migrant workers may give rise to an elevated risk of modern slavery.

B. Risk in Supply Chain

As a logistics provider, we handle, store, move and distribute customer goods for their operations. The supply chain may be associated with some of our customers products relate to manufacturing and extend through various geographic locations. The potential for modern slavery risks is considered high due to the lack of visibility to customers supply chains.

Our view to whether our supply chains may be directly linked to modern slavery practices is mitigated through self-disclosed assessments that are undertaken in respect of our customers.

Modern slavery risks are also likely to exist in other parts of our customers' supply chains, including suppliers of raw materials (for example, food, steel, chemicals) to factories. To date, we have had limited engagement with supply chains providing raw materials to factories that produce goods for our customers. As such, the extent and degree of modern slavery risks are currently unknown but may be higher than other parts of the supply chain. We will be undertaking customer self-assessments to understand the risks within the supply chains.

6. How the Company seeks to embed the Modern Slavery Policy in practice

- 6.1. To underpin the commitments laid out in this Policy, the Company aims to implement the following measures:
- a) The Company will conduct risk assessments to determine which parts of the business and which supply chains are at risk of perpetrating modern slavery so efforts can be focused on the areas that are most 'at risk'.
 - b) Where appropriate, as informed by the risk assessment, the Company will engage directly with suppliers or undertake random audit surveys in respect of the Modern Slavery Policy in order to gain a proper understanding of the measures they have in place to ensure that modern slavery is not occurring within their own business.
 - a) Our contractual documentation will incorporate specific prohibition against slavery and servitude, the use of forced, compulsory and trafficked labour, and the use of child labour in line with this Policy.
 - b) Also, were appropriate, we will make provision for our contracted suppliers to hold their own suppliers to the same standards. We also reserve the right to terminate any contractual arrangement if there is a breach of this Policy.

- c) The Company ensure workplace health and safety and that employees are not subject to any conditions that might be considered to constitute modern slavery.
- d) The Company will launch initiatives for raising awareness of modern slavery, including training for all employees, focussed on the requirements of the MSA, how to better identify modern slavery risks and the processes for reporting any concerns identified, including through our Whistleblower Policy.
- e) The Company may set reporting timeframes and deadlines, for example, every six months the Board may receive a report to monitor the implementation of the measures and to be informed whether there were any incidents, and if so, what sort of measures will be taken to mitigate, remediate or eliminate the risk or exposure to the slavery practices.
- f) The Company may allocate the modern slavery reporting responsibilities within the Company, e.g. establishing a dedicated team and/or involving existing teams within management, legal, risk, compliance, corporate social responsibility, procurement, sourcing, human resources, and finance.
- g) The Company will take steps to address any risks or potential modern slavery risks identified and produce risk categorisation of the operations, investments, and supply chains (e.g. by sector, geography, etc).
- h) Implementation of a modern slavery incident reporting and monitoring process (including mechanics to foster whistleblowing and reporting within the business).
- i) Creating a remediation framework to address the management of suppliers who perpetrate, or are at high risk of perpetrating, modern slavery offences.
- j) Implementing regular monitoring of the Company's modern slavery compliance measures.
- k) The Company will provide specific training to the staff in modern slavery requirements.

7. Responsibility for this Policy

- 7.1. The Board has overall responsibility for this Policy and in ensuring that the Company complies with all its legal and ethical obligations.
- 7.2. The Chief Executive Officer (**CEO**)/ Managing Director will have the primary day-to-day responsibility for the implementation of this Policy, monitoring its use and ensuring that the appropriate processes and control systems are in place, and amended as appropriate, to ensure it can operate effectively.

8. Communication and employee awareness training

- 7.1. General Managers will ensure that relevant employees receive adequate training on this Policy and any supporting processes applicable to their role.

9. Breach of this policy

- 8.1. The breach of this Policy by an employee, director or officer of the Company may lead to disciplinary action being taken in accordance with the Company's Code of Conduct. Serious breaches may be regarded as a gross misconduct and can lead to immediate dismissal.

- 8.2. All employees will be expected to co-operate to the fullest extent possible in any investigation into suspected breaches of this Policy or any related processes or procedures.
- 8.3. If any part of this Policy is unclear, clarification should be sought from the CEO/Managing Director or Company Secretary.

10. Policy review and amendments

- 9.1. This Modern Slavery Policy will be reviewed by the Board every 2 years basis to ensure that it remains effective and meets the best practice standards and the Company's needs.
- 9.2. The Policy cannot be amended without approval from the Board.
- 9.3. The Policy will be available on the Company's website within a reasonable time after any such updates or amendments have been approved.