



Modern Slavery & Human Trafficking Statement FY21

Introduction

Modern slavery describes the most serious forms of exploitation including trafficking in persons, slavery, servitude, forced labour, forced marriage, debt bondage and the worst forms of child labour.¹ These abuses can occur in all industries and sectors and distorts global markets and responsible business practices.²

Toll Holdings Limited, and our subsidiaries respect ethical labour practices and value diversity. Toll takes a zero-tolerance approach to any form of human rights abuses, including modern slavery in our operations and supply chains and we expect that all our employees, suppliers, subcontractors and agents uphold these values.

This statement is published by Toll Holdings Ltd (Australian registered Company Number 006 592 089) and our subsidiaries in compliance with section 54 of the United Kingdom's *Modern Slavery Act 2015* and Australia's *Modern Slavery Act 2018* (Cth). It describes the steps taken by Toll Holdings Ltd and our subsidiaries in the financial year ending 31 March 2021 to assess and address modern slavery.

Structure, Operations & Supply Chain

Our Structure & Operations

With over 125 years' experience, Toll operates an extensive global logistics network with direct operations in 26 countries as well as strong partnerships with agents in countries where we are not present. With approximately over 20,000 employees around the globe, Toll provides a diverse range of transport and logistics solutions covering road, air, sea and rail to help customers meet their global supply chain needs. Proudly part of Japan Post, and headquartered in Australia, Toll provides a diverse range of services to customers across the world, including:

Freight (Global Forwarding): a full suite of international freight forwarding, specialising in Asia inbound and outbound trade lanes. Our transport methods include:

- Air Freight
- Sea Freight
- Road Freight
- Rail Freight
- Intermodal and Multimodal Freight; and
- Specialised Freight Services.

Logistics: specialist contract logistics providing a range of customised transport, warehousing, and value-added services around the Asia Pacific region, including warehouse logistics, mining services, energy logistics, dangerous goods storage, dedicated transport services, liquid distribution, relocation management, remote and resource logistics, aviation services and helicopter services.

Express Services: express freight of documents and parcels within Australia and New Zealand.

Business Support Services: a suite of business support services that includes recruitment and training, design print and promotion, mailroom services and relocation management.

For further details of the services we offer, please refer to our website.

¹ Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities

² Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities



Our Supply Chain

To assist in the delivery of these services, Toll works with an extensive network of suppliers, subcontractors and agents. These include the suppliers of products and services used in our transport and warehousing activities, such as trucks, planes, ships, helicopters, materials handling equipment, IT equipment and personal equipment and clothing. Our supply chain also includes the services provided by subcontractors and agents, mainly for the transport of goods. This is particularly relevant for Freight/Global Forwarding, for which Toll engages a number of third parties to assist with completing these orders³. In many cases we have long-standing relationships with these businesses, and in other cases short-term arrangements are made based on the requirements of our clients. An overview of the countries in which we operate as well as those in which we work with network partners can be seen below.

Risks of Modern Slavery in Operations & Supply Chains

Operating in the global logistics sector, we are aware of the potential for Toll to cause, contribute to or be linked to modern slavery through our operations and supply chains.⁴

Operations

Taking into account the activities of Toll's global operations, there is a risk of causing or contributing to modern slavery through the use of labour in vulnerable populations, high risk geographies or through the engagement of recruitment agencies. Whilst Toll operates worldwide, nearly half of employees and a significant proportion of suppliers are based in Australia and New Zealand which somewhat decreases the geographical risk. However, as our company continues to grow both locally and globally, we are aware of the risks and the need to address these in an appropriate manner.

Supply Chain

Toll works with an extensive network of suppliers, subcontractors and agents to provide the vast array of services around the globe. As such Toll is at risk of contributing to or being directly linked to modern slavery abuses relating to the activities of these business relations. The extent of these is dependent on a number of factors including the level of human rights protection and/or enforcement in the countries where they operate or source from, use of labour hire and outsourcing practices. This is also applicable to suppliers from which we source the products and services we require to operate.

Implications of COVID-19 on Toll's Operations and Supply Chain

The lockdowns and border closures that were implemented by governments around the world to slow the spread of COVID-19 restricted the movement of goods globally. This had significant implications on Toll's global direct operations and supply chain. In some instances, this was further compounded by bottlenecks created by additional protocols introduced to ensure the safety of workers. The pressure to make up this lost time poses an additional risk to our employees and contractors to work long hours and ignore general health and safety practices. It has also exposed our workforce to the risk of contracting the virus.

Actions Taken to Assess and Address the Risk of Modern Slavery

We are taking a long-term systematic approach to integrating an ethical supply chain framework and increasing engagement with suppliers to identify risk, assess and address modern slavery.

Policies & Governance

In FY20, Toll's values were refreshed and work shopped with senior leaders. The values have been rolled out in FY21 to represent the 'Toll we want to be'. The refreshed values form a compass that will guide our behaviour and define our culture.

³ <https://www.tollgroup.com/freight>

⁴ Commonwealth Modern Slavery Act 2018 – Guidance for reporting entities p40



In line with these values are Toll's policies and standards, which influence our behaviour towards Modern Slavery:

- Toll Group Code of Practice
- Toll Group Anti-Human Trafficking and Modern Slavery Policy
- Toll Group Ethical Employment Policy
- Toll Group Employment Screening Policy
- Toll Group Supplier Code of Practice
- Toll Group Whistleblower Policy
- Toll Group Serious Misconduct Policy

The day-to-day responsibility for developing these policies and overseeing compliance is assigned to relevant departments including Compliance, Security, HR, Procurement and Legal. These policies and standards are upheld in everything we do. We consider that, on the whole, the implementation of our company values and policies establishes an ethical culture and environment in which knowingly allowing human slavery or abuse to enter Toll's operations or supply chain will not be tolerated. A copy of these policies is publicly available on our website.

Supplier Governance Framework

The Toll Group Supplier Code of Practice ("**Supplier Code**") sets out the behaviours Toll expects from suppliers. This includes Toll's expectation that our suppliers will act with respect and comply with applicable employment and workplace laws and regulations, including labour and child labour laws.

The Supplier Code reserves Toll's right to audit suppliers and their operations. If a supplier fails to act consistently with the Supplier Code or specific contractual obligations, this may result in remedial action or termination of a contract. The Supplier Code is available on our website.

Anti - Modern Slavery Program & initiatives

In FY21, Toll has reviewed the Anti - Modern Slavery Program and engaged with a Modern Slavery consultancy firm to progress the legislations requirements, risk assessment, program development and implementation. As a result, it has been decided to initially focus on the high-risk locations worldwide.

The Anti- Modern Slavery Program is including 5 phases as follows:

1. Establishing a Modern Slavery Steering Committee as a review panel and sounding board to develop, progress and remediate any identified modern slavery risks as a result of the actions taken under the Anti - Modern Slavery Program;
2. Collecting the relevant information and data through internal documents and interviews with key stakeholders;
3. Performing an independent risk assessment of the operations and supply chain in high risks locations as a first tier to establish a gap analysis;
4. Submitting the results to the Modern Slavery Steering Committee;
5. Developing and Implementing a remediation plan to address potential gaps or issues.

At this stage, the Modern Slavery Steering Committee is currently in the last phase (5) of the process: reviewing the results of the risk assessment and developing a remediation plan.

Meanwhile, several initiatives have been undertaken during FY21 to address potential gaps related to modern slavery risks.

For instance, Group HR initiated a global review of procedures for engagement of labour and recruitment practices globally with the aim to develop a unified approach throughout our growing global operations. As part of this review additional controls are being considered to mitigate modern slavery risks and we are working towards reducing the total number of recruitment agencies. Toll is also implementing a global recruitment system which will be integrated into our existing HR system. This will help to ensure that our policies and procedures are executed consistently throughout our operations.



Since October 2020, Toll is now a proud member of TRACE International which is a globally recognized anti-bribery business association committed to advancing commercial transparency worldwide. TRACE International helps companies conduct business ethically and addressing compliance challenges in general including modern slavery issues. In that respect, Toll has developed in partnership with TRACE International a customized Third-Party Risk Management System to conduct Compliance Due Diligence on its agents' network globally. The Compliance Due Diligence process includes modern slavery requirements and related compliance controls to ensure the adherence to our Code of Ethics, Practice and compliance policies.

Whistleblower Hotline

In August 2021, Toll's Group Whistleblower Policy has been updated to meet the additional requirements from the Australian *Corporations Act 2001*. From 1 July 2019, the whistleblower protections in the *Corporations Act 2001* have been expanded to provide greater protections for whistleblowers which were therefore reflected into Toll's Group Whistleblower Policy.

This was accompanied by an extensive communication campaign aimed at increasing internal awareness of the policy and the Toll Disclosure Hotline. This included widespread communications via the intranet, staff newsletters and cascaded down by Toll Business Compliance Champions network locally. Training was also provided to relevant employees with additional information and support to those with direct obligations and responsibilities.

The Toll Disclosure Hotline enables employees and suppliers across Toll globally to anonymously report suspected misconduct, including matters relating to labour practices and human rights. It is managed by a third party which helps to maintain anonymity of whistleblowers as well as protecting data privacy. The system also enables communication between Toll and the whistleblower to ensure they are kept informed of the outcomes of subsequent investigations. Information on how to access the hotline is readily accessible in multiple languages to ensure all parties have equal access.

All allegations received are reviewed and appropriately investigated. Toll takes a timely and proportionate approach to implementing corrective or disciplinary actions and learnings. This includes working with managers and other relevant employees to implement necessary changes to prevent any further breaches occurring in the future.

Training

Our ability to identify and respond to human rights issues is heavily reliant on our employees identifying and reporting potential breaches. As such, it is vital that employees have a good understanding of what human rights and modern slavery issues are; how to report them and how to address them.

Toll continues to raise awareness of modern slavery with training and e-Learning on the Code of Conduct together with ongoing consultation on modern slavery in higher-risk areas within the business (Procurement department). In FY20, customised training was provided to the Group Procurement team to give an overview of Modern Slavery, identify the relevant risks to Toll and outline their role in addressing these risks. Our induction e-Learning modules for all employees have also been updated to contain sections on Modern Slavery and Human Rights, with reference to our Anti-Modern Slavery Policy. In FY21, as part of Toll's Compliance Training Program, a dedicated Anti - Modern Slavery eLearning module is being developed in partnership with TRACE International and will be rolled out across all Toll divisions and employees in 2022.

COVID-19 Response

Strict safety protocols were implemented throughout Toll's operations including the provision of appropriate protective gear, social distancing, regular disinfection of workspaces and contactless deliveries to protect the health of our employees. We have also worked closely with our suppliers, contractors and clients to ensure their employees are also implementing similar processes. To prevent the risk of employees and contractors being forced to work long hours we have reinforced our strict policies regarding working hours which have been closely monitored to ensure working conditions are safe.



Assessment & Effectiveness of our Actions

Toll recognises the importance of monitoring how effective its anti-modern slavery processes are and we have actively taken steps to review our approach to assessing and addressing modern slavery risks.

In FY21, with the establishment of the Modern Slavery Steering Committee piloted by the Compliance function, Toll's has made significant progress to identify the potential modern slavery risks allowing the development and implementation of an adequate Anti Modern Slavery Program including a remediation plan.

In our own operations, Toll is relying on all employees to strictly comply and escalate any suspected breaches or misconduct to Toll Group Anti-Human Trafficking and Modern Slavery Policy. Toll utilises its global network of designated employees and experts in compliance to oversee the effectiveness of the relevant actions taken to address modern slavery.

For our supply chain partners, Toll has reinforced its Third-Party Onboarding and Compliance Due Diligence processes globally. In parallel, Toll has also implemented Compliance Standard clauses, Third Party Certification requirements and Advisories for our business partners to ensure the adherence to Toll Code of Practice, policies, and related requirements including but not limited to modern slavery.

Our Future

Toll's Anti-Modern Slavery Program, and this statement, are a result of consultation and collaboration between many areas within Toll. These include Procurement, Legal, Agent's network, Operations, Human Resources, Health and Safety, Compliance and Security. This is testament to our shared values, policies and governance frameworks together with a belief in the importance of actions to address Modern Slavery risks.

Toll recognises the need to continuously build on our understanding, oversight and management of modern slavery risks in our operations and supply chains. We continue to build on our work from this financial year, progress the enhancements of our mitigation actions and engagement within our operations and supply chain.

This statement was approved by the principal governing body for Toll, Toll Holdings Ltd Board on 30 September 2021.

Thomas Knudsen
Managing Director
Toll Group