



customfleet.com.au
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2024

Modern Slavery Report



INTRODUCTION

At Custom Fleet, we acknowledge our role in opposing all forms of discrimination, oppression, forced labour and slavery, and we're committed to being a force for positive change. We recognise that who we do business with has environmental and societal impacts, and so we endeavour to partner with those who align with our values.

We are committed to treating our employees, customers, partners, and everyone we conduct business with, with respect. We value diversity and have no tolerance for discrimination or harassment. We promote a sense of belonging for our employees through celebrating the diverse intersectionality that exists in our workforce.

THIS STATEMENT

In this **Modern Slavery Statement** ("Statement"), we provide insight into Custom Fleet's 2024 Modern Slavery Program, the actions taken to address and mitigate against the risk of modern slavery in our operations and supply chain, and the improvements we've implemented. This Statement has been prepared as a joint Statement, in accordance with the requirements of Section 14 of the Modern Slavery Act, 2018 (Cth) ("the Act") and applies to EFN (Australia) Pty Limited and all its Australian subsidiaries, namely, Element Financial (Australia) Pty Limited, Element Fleet Services Australia Pty Ltd, Custom Fleet Pty Limited and Custom Service Leasing Pty Limited (collectively "Custom Fleet" or "we", "us" or "our").





Our corporate structure, operations, and supply chains

Custom Fleet is a leading fleet management and vehicle leasing organisation, with its head office located in Melbourne, Victoria. Our services address a wide range of fleet requirements, including vehicle acquisition and financing, maintenance management, accident management and remarketing, as well as advising on decarbonisation efforts, electric vehicles and managing the complexity of fleet electrification.

Custom Fleet's board of directors provides leadership and approves and monitors the strategic direction, risk management systems, values, business plans and policies of Custom Fleet, to uphold corporate reputation and maximise value. Custom Fleet is wholly owned by Element Fleet Management Corp. ("Element"), which is listed on the Toronto Stock Exchange (TSX: EFN). Element is the world's largest pure-play automotive fleet manager, with operations in the USA, Canada, Mexico, Australia, New Zealand and Singapore.



Governance

The Enterprise Risk Management Committee ("ERMC") assists the Board in adopting appropriate governance standards and reviewing and monitoring Custom Fleet's environmental and social risk management policies, practices, and performance. Management is responsible for implementation of Custom Fleet's strategic drivers, including the Sustainability Strategy.



Our supply chains

Custom Fleet provides fleet finance/leasing, fleet management services, and novated leasing to a variety of customers including some of Australia's best-known corporations.

Our supply chain includes:

- ▶ providers of professional services;
- ▶ insurance providers;
- ▶ vehicle manufacturers and suppliers;
- ▶ suppliers of plant and equipment;
- ▶ vehicle component manufacturers and suppliers;
- ▶ vehicle monitoring services;
- ▶ information technology and related services;
- ▶ commercial property providers; and
- ▶ recruitment services.

A significant percentage of our suppliers operate solely in Australia or New Zealand. Where we do have overseas suppliers, they typically supply vehicles, equipment, and vehicle components. Custom Fleet seeks to contract with reputable suppliers, both locally and internationally.



Modern Slavery risks

SUPPLIERS

Custom Fleet has assessed its exposure to the risk of modern slavery risk in its supply chains based on the following considerations:

- ▶ The countries in which suppliers operate (e.g. do suppliers operate in high-risk locations?);
- ▶ The applicable business (e.g. is the business sector likely to utilise the labour of persons vulnerable to exploitation?);
- ▶ The nature of goods or services being supplied (e.g. labour hire or outsourcing services);
- ▶ The efforts the supplier has made to address the risk of modern slavery in its own supply chains.

CUSTOM FLEET'S OPERATIONS

Custom Fleet employs approximately 288 permanent and 8 fixed term workers in Australia, in traditionally office-based roles. Also appointed to provide services to Custom Fleet are 138 managed services providers, temporary workers, independent contractors, and professional service consultants (classified by Custom Fleet as contingent workers). If an employee is not directly employed by Custom Fleet, they are engaged through reputable recruitment agencies and specialised companies.

In addition, Custom Fleet's terms of employment are reviewed regularly to ensure compliance with applicable law (the latest review was concluded in March 2025).

OUTCOME

We have determined that the risk of modern slavery in our supply chain and our own operations remains low, due to:

- ▶ Australia being considered to be a low-risk jurisdiction for modern slavery (as per the 2023 Global Slavery Index published by Walk Free Foundation);
- ▶ A significant percentage of Custom Fleet's suppliers operating solely in Australia;
- ▶ Custom Fleet's hiring practices;
- ▶ Custom Fleet's practice of engaging with reputable local and international suppliers who undertake contractually to comply with applicable law.





2024 improvements in our processes and risk management

We have sought to improve the efficacy of our modern slavery program by:

► **The creation of a Responsible Sourcing Audit & Assurance Framework ("the Audit Framework")**

The Audit Framework seeks to ensure the activities of our suppliers, vendors, contractors, and partners support our commitment to responsible business practices. This applies to all third parties involved in the provision of vehicles, parts, fuel, services, technology, and any other goods or services to Custom Fleet. Results from assurance and audit activity undertaken in terms of the Framework is assessed, reviewed and actioned in accordance with the Third Party Action and Escalation Framework for Modern Slavery (See below).

► **The creation of a Third-Party Action and Escalation Framework for Modern Slavery**

A supplier's modern slavery posture is assessed based on their response to Custom Fleet's Modern Slavery questionnaire. At the conclusion of any modern slavery risk assessment, the supplier will be allocated an overall Modern Slavery Risk Rating. Custom Fleet will work with suppliers that have a high-risk rating (and others by exception) to effectively manage their Modern Slavery risk in accordance with Custom Fleet's expectations. Where collaboration fails, the matter is escalated, which may include in severe cases, the termination of the third-party agreement.

► **Revising the Modern Slavery Survey and Response Assessment**

We have revised the Modern Slavery questionnaire and developed a standardised risk assessment tool to systematically determine a supplier's overall modern slavery risk rating.

Existing initiatives

MODERN SLAVERY SURVEYS

We surveyed more than 200 suppliers during the period under review. Each supplier was either assessed on the responses provided or, where responses were not received, we endeavoured to rate the suppliers based on publicly available information. Follow up meetings were conducted with suppliers who did not meet Custom Fleet's requirements, and Custom Fleet assisted some suppliers to address identified shortcomings.

MODERN SLAVERY TRAINING

Mandatory online Modern Slavery training for the Human Resources and Procurement Departments continues to be provided. This training seeks to raise awareness of modern slavery risks, the forms that modern slavery may take and what Custom Fleet's responsibilities are with respect to the prevention of Modern Slavery.

COMPLIANCE WITH THE ACT AND CUSTOM FLEET'S MODERN SLAVERY CODE FOR SUPPLIERS

- All suppliers are required to comply with applicable laws, including the Act.
- Suppliers are also expected to commit to our Modern Slavery Code for Suppliers which:
 - details Custom Fleet's expectations regarding a suppliers' obligations to prevent modern slavery;
 - sets out the actions (including supplier surveys, requests for supporting documents, and audits) Custom Fleet may take to verify a supplier's compliance with the code and applicable law; and
 - provides Custom Fleet with recourse against a supplier should they fail to comply with their obligations under the code or applicable law.



Effectiveness of our actions

- ▶ Our efforts are currently focussed on our tier 1 suppliers. We acknowledge that the risk of modern slavery, especially with respect to suppliers outside of tier 1 remain. Our aim is to reach a point where our entire supply chain has been mapped and our expectations regarding Modern Slavery prevention are cascaded through the supply chain.
- ▶ The introduction of the Audit Framework and the Third-Party Action and Escalation Framework means that we now approach Modern Slavery in a more structured manner, with clear mechanisms in place to address non-compliance. Our increased activity around assurance means that more suppliers are being surveyed and assessed in accordance with the Act and our modern slavery expectations, and we work with suppliers who have an elevated risk rating to address shortcomings identified.
- ▶ We acknowledge that the increasing demand for battery powered vehicles raises critical questions regarding the sourcing of raw materials such as cobalt, lithium and nickel, the mining of which has, in some regions, been reported to be associated with modern slavery like conditions and environmental degradation. While electric vehicles (EVs) currently make up 8 percent of Custom Fleet's vehicle leases, we are seeing year on year growth of approximately 10 percent. The emerging risks associated with increased demand for EVs was not factored into our 2024 risk assessment, and additional work by Custom Fleet is required to properly assess the supply chain risks related to EV batteries.

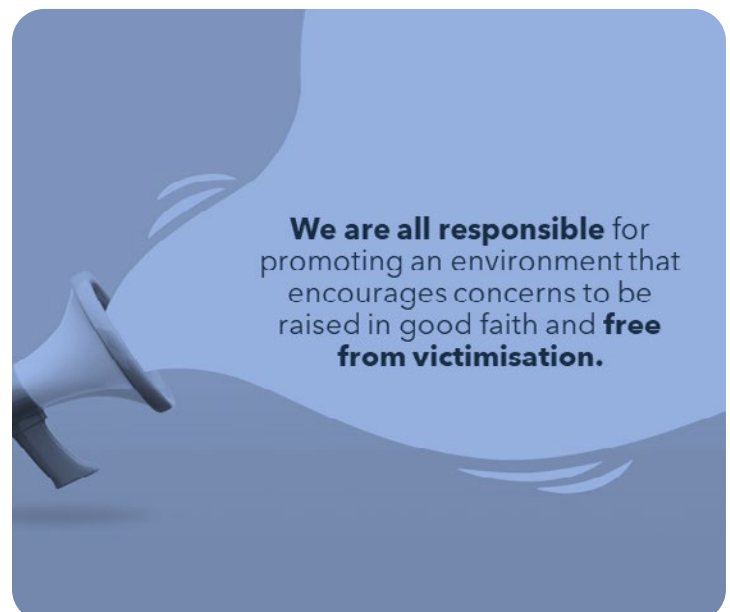
New Concern Reporting Platform

In January 2025, a new Global Concern Reporting Platform was launched by Element, encompassing all its subsidiaries, including Custom Fleet.

The platform allows a concern or complaint to be raised via phone or web portal (including anonymously) and is aimed at fostering a culture of open communication where everyone feels respected and heard.

The platform empowers an employee or stakeholder to raise a whistleblower concern, as an alternative to other channels that are available for this purpose.

An employee or stakeholder may also choose to directly raise a concern with an eligible recipient in accordance with Custom Fleet's Disclosure and Whistleblower Policy and the Global Concern Reporting Policy.





Our Policies

Custom Fleet's codes and policies reflect our commitment to ethical business practices. These include our Modern Slavery Policy, Supplier Code of Conduct, Bullying, Discrimination, Harassment and Workplace Violence Policy, Cultural Protocol Guidelines, Diversity Equity and Inclusion Policy, and the Gender Inclusion and Affirmation Policy and Guidelines.

Employees undergo regular training on our policies.

Employee wellness and empowerment

2024 saw the continuation of existing Sustainability and DEIB (Diversity, Equity, Inclusion and Belonging) initiatives at Custom Fleet, and the introduction of several new initiatives, with the following being a sample of what was achieved.

INITIATIVES CONTINUED IN 2024

- ▶ Custom Fleet delivered a second round of the Green Light program, our leadership program for women (Green Light won a Platinum Award at the global Learn X Awards, and third place at the Australian Institute of Training and Development Awards);
- ▶ We enhanced delivery of meaningful First Nations cultural awareness training to our employees;
- ▶ We achieved Gold Certification (from Bronze in 2023) as part of the Australian Workplace Equality (AWEI) LGBT Inclusion Awards; and
- ▶ We delivered all the commitments aligned to our Innovate Reconciliation Action Plan (RAP) and are entering into a second Innovate RAP.

INITIATIVES IMPLEMENTED IN 2024

- ▶ We developed a comprehensive Sustainability Strategy covering the key pillars of environment, social and governance;
- ▶ We established partnerships with Supply Nation (AU) and Amotai (NZ) to promote supplier diversity spend within our supply chain;
- ▶ Custom Fleet was awarded Rainbow Tick certification in New Zealand;
- ▶ Advanced Gender Tick Accreditation was achieved in New Zealand;
- ▶ We were awarded Work 180 Certification in Australia; and
- ▶ Custom Fleet launched reproductive health leave and superannuation on unpaid parental leave.



Future actions

Our focus is directed at:

- ▶ the continued roll out and improvement of the Audit Framework and the Third-Party Action and Escalation Framework;
- ▶ improving the governance and control of third-party risk; and
- ▶ improving Modern Slavery related procedures affecting our suppliers.

Ultimately, Custom Fleet aims to expand the reach of our due diligence efforts and deepen our understanding of the critical dependencies in our supply chain.



Preparation and Approval of this statement

This Statement was prepared in consultation between EFN (Australia) Pty Limited and each of its Australian subsidiaries and was approved by the individual board of directors of each such entity on 17 June 2025. It is signed by Mr Chris Tulloch, in his capacity as group SVP and President and director of each group company.

Chris Tulloch
SVP and President
Custom Fleet



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