



EROAD

Modern Slavery Statement FY23

INTRODUCTION

EROAD is committed to upholding human rights practices across all our business-related activities. The company's purpose and values support this commitment. Upholding human rights practices involves ensuring that slavery and human trafficking are not taking place in any part of our business operations. Modern slavery in any form* is against EROAD's company policies.

This Modern Slavery Statement is made in accordance with our obligations as a listed entity on both the NZX and ASX (foreign-exempt issuer) and under the Modern Slavery Act 2018 (Australia) and Transparency and Supply Chains Act 2010 (California). EROAD publishes an annual Modern Slavery Statement in accordance with our legal obligations and our moral obligations as a socially responsible entity.**

EROAD'S BUSINESS AND ORGANISATIONAL STRUCTURE

EROAD's Business

EROAD modernises road charging and tax compliance and health and safety compliance for road transport by replacing paper-based systems with easy-to-use electronic systems that also improve fleet management and driver experience.

The company is headquartered in Auckland, New Zealand, and is listed on the New Zealand Exchange (NZX: ERD) and Australian Stock Exchange (ASX: ERD). Its US business is based in San Diego, California, serving customers with vehicles operating in every US mainland state.

In 2009 EROAD introduced the world's first nationwide electronic road user charging (ERUC) system in New Zealand. The Company develops and sells end-to-end hardware enabled software as a service (SaaS) products for the management of vehicle fleets in New Zealand, Australia and North America. EROAD's product offerings are intended to:

support regulatory compliance including transportation taxes, road user charging, fuel and vehicle registration;

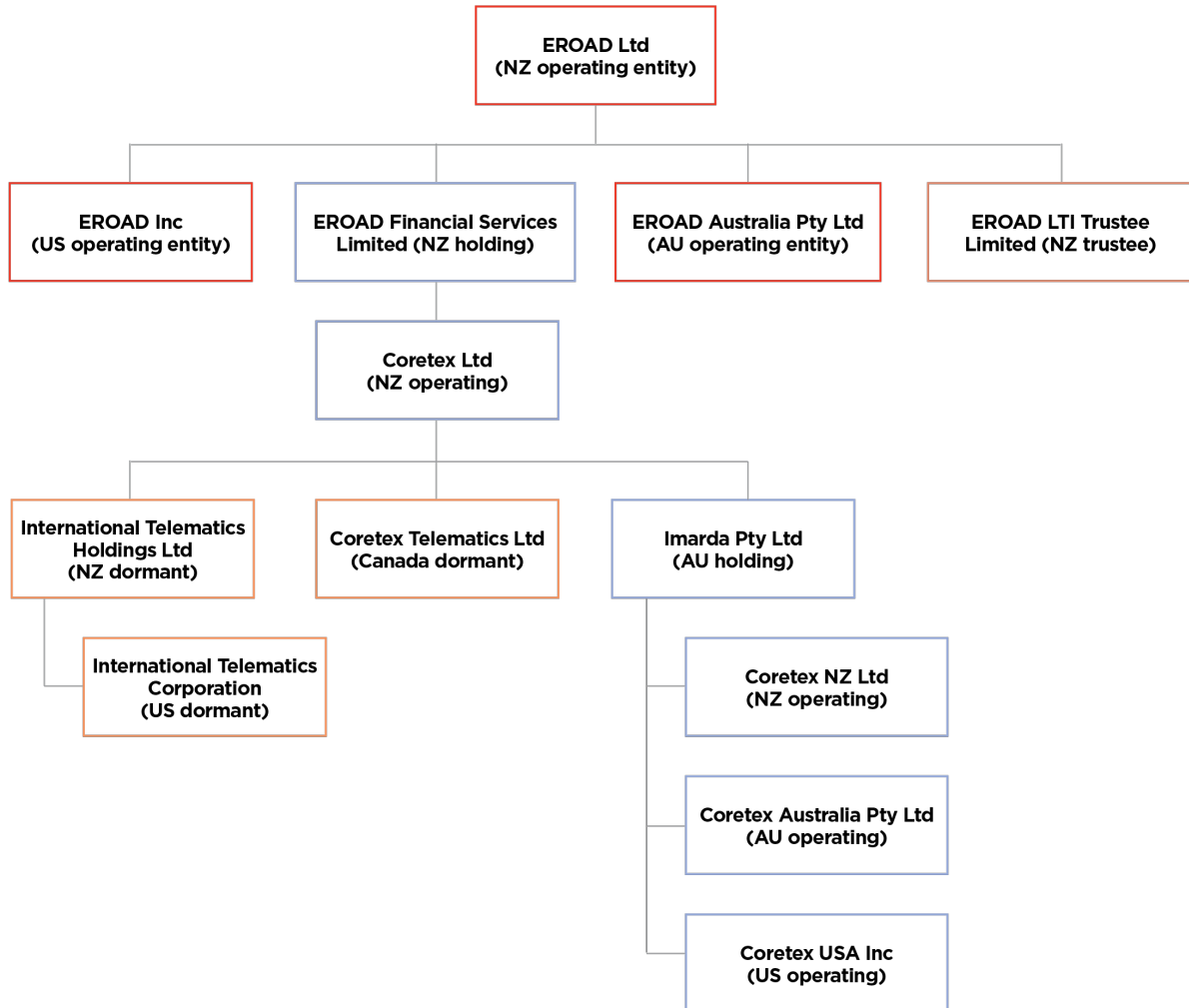
1. improve record keeping of both mobile assets (vehicles) and drivers (including fatigue related products);
2. help reduce vehicle operating costs and carbon emissions by improving fleet efficiency;
3. help improve and promote driver safety;
4. monitor refrigerated fleets and provide services to construction and waste fleets; and
5. track micro assets.
6. EROAD has undergone a period of significant growth following the acquisition of Coretex in 2021.

*Modern slavery risks include all forms of slavery or practices like slavery such as child labour, forced or compulsory labour, bonded labour, serfdom, and recruitment for armed conflict.

**EROAD is aware that New Zealand's Ministry of Business, Innovation and Employment (MBIE) is presently developing modern slavery and worker exploitation legislation for all organisations in New Zealand. EROAD will address these requirements once they are known.

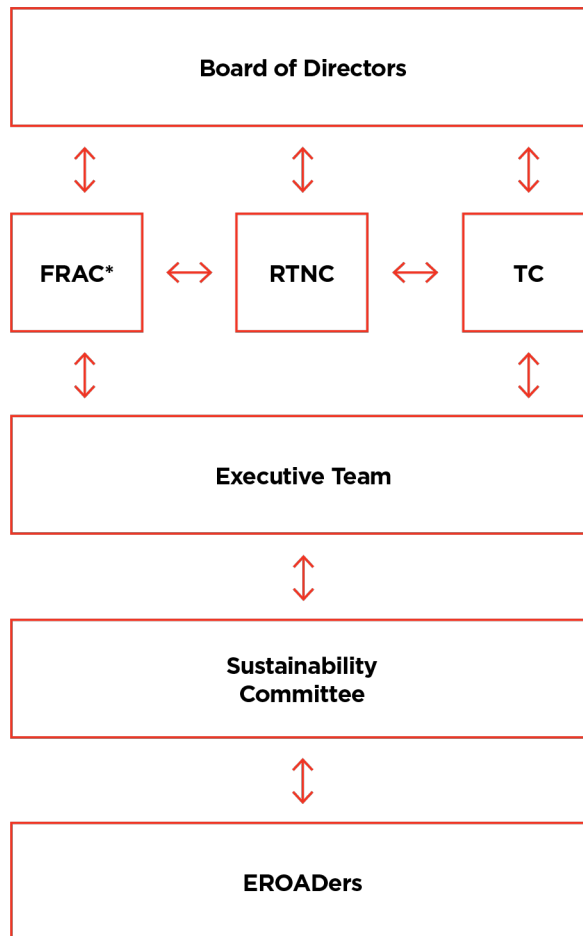
EROAD's Organisational Structure

EROAD's business includes EROAD Limited and all related entities. EROAD operates in New Zealand, Australia, and North America and includes all entities formerly under Coretex operations from 1 December 2021.



EROAD's Governance Structure

EROAD's Board of Directors undertakes to perform its duties and exercise its powers in the best interests of the Company. The Board is assisted in its role by the Finance, Risk and Audit Committee, Remuneration Talent and Nomination Committee and Technology Committee. EROAD's Executive Team is responsible for the day-to-day management of the Company and is supported by the Senior Leadership Team and internal committees including EROAD's Sustainability Committee.



Supply Chain

EROAD Limited manufactures its hardware products within a number of countries in Asia. Hardware manufacturing occurs in China, The Philippines, Singapore, Malaysia and Indonesia. The company has distribution centres in New Zealand, Australia and North America. EROAD uses a variety of freight methods including road, sea, rail and air, with the majority of our freight going via air travel. The Company is committed to sustainable supply chain management and accordingly, products are always refurbished where possible.

EROAD employs a number of EROADers to create, manage and develop our software, as well as EROADers to serve our customers, comply with corporate requirements and lead our teams. These employees are primarily based in New Zealand, Australia and North America. In FY23 the company reported 484 employees worldwide.

EROAD's governance framework and remuneration policies ensure fair wages and benefits for all EROADers. EROAD has a number of mechanisms, in particular the company's Code of Conduct, Code of Ethics, Risk Management Policy, Diversity and Inclusion Policy and Whistleblower Policy, which all seek to ensure fair and appropriate behaviour by the company. Any concerned party is encouraged to raise issues with their manager or to utilise EROAD's independent whistleblower service managed by Deloitte.

RISKS OF MODERN SLAVERY PRACTICES

Risk Identification

EROAD is aware that slavery-like practices can include underpayment of wages, excessive working hours, debt bondage and confiscation of personal documents; and that these risks are typically associated with other human rights transgressions such as inadequate grievance mechanisms, discriminatory practices, bullying/ harassment, unsafe/unsanitary working conditions.

Slavery-like practices are not restricted to a specific part of business, but may be prevalent along the entire supply chain, within core operations (own employees and third parties), as well as at customers. Of these three areas EROAD has determined that the greatest relative risk resides within our supply chain.

While modern slavery risks exist in every country, the Global Slavery Index identifies Asia as being highly vulnerable to, and having a high prevalence of modern slavery. The Index also identifies similar vulnerabilities and prevalence levels in the electronics sector (component and equipment manufacture), and freight (particularly shipping).

To date, EROAD has not identified or become aware of any instances of human trafficking or slavery within our operations or supply chain.

Risk Assessment and Evaluation

With our supply chain being our main area of focus, we have adopted a multi-pronged approach to assessing the risk. This includes supplier pre-qualification due diligence; supplier self-assessment (via our Sustainable Supplier Questionnaire); and on-site assessment and audits to 'ground truth' the supplier governance documents and other pertinent information provided. EROAD has a Sustainable Supplier Questionnaire which is sent out to all key suppliers we work with. The section on social responsibility requires suppliers to disclose whether they have any human rights and/or labour policies in place, and to provide these where applicable. Likewise with any safety and wellbeing policies. EROAD is committed to upholding human rights practices in all our business-related activity.

We ask suppliers for a statement to be made on fair labour practices and adherence to labour laws within their territory of operation. Should red flags be identified, our focus is on supplier engagement to discuss our concerns, and where required, agree on actions to be taken. EROAD acknowledges that rapid termination of suppliers involved in human rights violations may not be in the best interest of vulnerable people within the supply chain, and therefore we intend to use supplier termination as a measure of last resort.

ACTIONS TAKEN BY EROAD TO ADDRESS MODERN SLAVERY RISKS

Integration across our business

EROAD has no appetite for slavery and human trafficking risks across our business. Accordingly, we expect all of EROAD, organisations in our supply chain, as well as our contractors, customers and third parties to comply with this commitment.

Our Code of Ethics, Code of Conduct, Diversity and Inclusion Policy, Whistle-blower Policy, Sustainability Policy and Risk Management Policy all reinforce our value of doing what's right by committing to acting ethically and with integrity in all our business relationships to address modern slavery risks.

We have a multidisciplinary team, with representation from People & Capability, Global Operations, Supply Chain, Product and Legal, overseeing the application and assurance of these requirements.

Entities we Own / Control

For entities we own/control, for example entities formerly controlled by Coretex Limited, EROAD adopts the same approach. All companies and divisions under the EROAD umbrella are subject to our policies on modern slavery. We undertake supplier questionnaires and audits for any entities within our control as applicable. Any concerns are addressed and escalated in the same manner described above.

Assessing the Effectiveness of our Actions

We assess the effectiveness of our actions regularly to ensure our approach is fit for purpose. We operate from a position of trust and hope that our suppliers are honest in their responses. We are however conscious of the fact that without being on the ground, it is difficult to verify the truth and accuracy of the information provided to us by suppliers. We work hard to ensure a thorough due diligence process and we continue to monitor our approach to ensure it is appropriate. In FY23 EROAD's Supply Team was able to travel to supplier locations to meet with workers and personally assess their working conditions. This naturally afforded us the opportunity to verify the accuracy of supplier self-assessments.

We visit suppliers to assess truth of questionnaire responses and supplier declarations. If visits show deception on the part of the supplier, we request additional information. To date we have not uncovered any modern slavery issues. If we were to find workers are not being treated in a safe and healthy manner, we take this extremely seriously. In FY23 we were recommended a supplier, but upon visiting the facility we determined that the health and safety conditions were not appropriate - respiratory requirements were not being met and as a result, we chose not to engage with this supplier on that basis.

EROAD is committed to taking meaningful action to identify, mitigate and manage any modern slavery risks in accordance with our zero-tolerance policy.

Recruitment and Employment Practices

EROAD's People & Capability Team is responsible for making sure that modern slavery does not feature in EROAD's internal operations. We have robust processes in place around pre-employment screening, employment conditions and workplace behaviour. Expectation of workplace behaviour and employee safety is provided to all EROADers when they commence their employment with EROAD.

Procurement Practices

EROAD's procurement policies and processes strive to support partnering with other socially responsible and reputable organisations across our supply chain and in support of our core operations. (For example: business support services, recruitment providers and professional employer organisations, etc.)

To minimize the disparate and inadequate application of our policies our key procurement requirements are predominantly centralized in the business. Furthermore, business relations with our key suppliers, contractors and third-party providers are well established, which contributes to improved relations with these entities, and greater knowledge of their business practices.

Awareness and Training

EROAD raises awareness of modern slavery issues by ensuring this statement is readily accessible to all relevant stakeholders, beginning with all directors and Executive Team members who have been briefed on the requirements of the Australian Modern Slavery Act 2018.

To mitigate the risk, we provide training and appropriate guidance materials to relevant employees across the business. This is intended to help staff recognise the risks of modern slavery and human trafficking in our business and supply chains.

EROAD also provides a notification mechanism to capture suspected instances of serious wrongdoing, including slavery-related practices. These may either be reported to EROAD's General Counsel, Chair of our Finance, Risk and Audit Committee, or anonymously through our Whistleblower facility. This service is managed by Deloitte, an independent third party, on behalf of EROAD and may be accessed by either email, webform or phone.

Monitoring and reviewing the effectiveness of our actions

Modern slavery falls within the broader realm of Environmental, Social and Governance (ESG). Consequently, ongoing monitoring and evaluation of EROAD's other ESG initiatives provides insights into the adequacy of our modern slavery risk management; and how this should be adapted to be better aligned and more effective. EROAD supports the UN Sustainable Development Goals and makes disclosures against the GRI framework in our annual Sustainability Report.

Impacts of COVID-19

The impact of the COVID-19 pandemic on international supply chains (such as commodity shortages, business closures, and economic downturn) is widely known. However, the nature and extent of such impacts directly influencing potential slavery and trafficking practices is many organisations' supply chains are less apparent – particularly beyond Tier1/direct suppliers. Limitations on international travel over the majority of FY22 undermined the ability to assess first hand conditions at manufacturing facilities within our supply chain. We are pleased to have been able to resume travel to key suppliers in FY23. This proved to be a significant measure for us

throughout the year as it enabled us to circumvent involvement with a supplier who did not meet our health and safety standards, as outlined earlier in this statement.

Our Consultation Process

In FY22 our consultation has primarily focused on notifying key internal stakeholders and priority suppliers of the requirements they are required to adhere to. Deeper internal and external engagement occurred in FY23. A cross-functional approach to modern slavery has been taken and EROAD's supply team regularly engages with other EROAD teams. In FY24 we are driving further engagement through our Sustainability Committee with key company representatives. The consultation also involves Directors at the Board level.

Approval

This statement is made in accordance with the Australian Modern Slavery Act 2018 and constitutes our Group slavery and human trafficking statement for the financial year ending 31 March 2023. It was approved by the Board on 16 June 2023 and will be subject to annual review.