

Modern Slavery Statement 2023

1. Introduction

This Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) by the reporting entity, BYD Australia Pty Ltd (ACN 166 009 687) (**BYD AU, we, our**) in respect of the actions taken to assess and address modern slavery risks for the year ended 31 December 2023 (**Reporting Period**).

BYD AU recognises the collective efforts of governments, civil society organisations and all stakeholders to eradicate modern slavery. With this commitment in mind, we are pleased to offer insight into the steps we have taken to better comprehend the risks of modern slavery within our operations and supply chain.

2. Structure, operation and supply chains

BYD AU was founded in 2013. BYD AU is a wholly owned subsidiary of BYD Auto Industry Company Limited (**BYD Group**), a multinational manufacturing company headquartered in Shenzhen, China. As the sole subsidiary in Oceania, BYD AU is structured as a proprietary limited company incorporated in Australia and has our Australian headquarters in Sydney. We are responsible for the Australian market, New Zealand market, French Polynesia, and New Caledonia.

BYD AU's operations include the importation of new energy vehicles and the sale of energy storage and renewable energy products in Australia.

The supply chain includes multiple tiers of suppliers through the business chain. In the current reporting period, all vehicles and other BYD branded products are manufactured overseas within manufacturing facilities operated by BYD Group and imported by BYD AU into the Australian market. The majority of our suppliers and the manufacturing locations are located in China, such as Changzhou, Fuzhou and Xi'an, etc.

3. Risk of modern slavery

BYD AU undertakes a risk assessment for the first and second tier of suppliers and establishes a supplier routine management to supervise any potential modern slavery risk in the current Reporting Period.

During the review process, an overall low prevalence of modern slavery was identified

across the company's governance, business operations and supply chain of BYD AU. BYD AU currently does not operate or have any top spend suppliers in countries with the highest prevalence of modern slavery.

However, we recognise that our sub-suppliers may have connections to these countries. Additionally, the solar panel industry, one of our sectors, is recognised for its high prevalence of modern slavery.

These results emphasised the need for increased engagement with key suppliers to ensure compliance with human rights standards regarding labour force and, the enforcement of appropriate procurement processes and management to mitigate risk in subsequent supply chains and reduce the prevalence of modern slavery.

4. Modern slavery risk mitigation

BYD Group has developed supplier management systems (SMS), which are annually updated to comply with international, national, and industry regulations, as well as customers requirements.

The SMS outlines social responsibility standards for supply chain partners, including labour, occupational health and safety and environmental management. These standards extend to downstream suppliers, who are audited annually. Each year, BYD Group publishes its corporate social responsibility reports.

BYD Group has established a procurement task force and formulated the BYD procurement risk management procedure. This task force, under the risk committee, collects supply chain risk information, conducts assessments, sets thresholds, and devises countermeasures. Risk management has transitioned from offline to online control for closed-loop management.

Strict labor, human rights, and environmental standards are upheld for supplier screening. Suppliers must comply with ISO14001 and SA8000 requirements and adhere to BYD Group's corporate social responsibility clauses. They are also prohibited from using forced, bonded, or child labor, and must ensure fair treatment and non-discrimination of employees. They are also required to provide safe, healthy, and pollution-free workplaces, consider environmental impacts, and comply with national standards, local regulations, and BYD Group's substance requirements.

At the global level, BYD Group is committed to sustainable development and safe working conditions. Safety policies are implemented, EHS committees established, and ISO45001 standards followed for occupational health and safety.

BYD AU's modern slavery policy is yet to be published, largely due to the need to align

this to our global commitments above. Steps will be taken to publish this in the near future. The policy will aim to ensure a standardised approach to our supplier activities access our operations and empower all in the company to do their part to identify, assess and address risks of modern slavery in our supply chains.

4.1 Selection of new supplier

Before onboarding new suppliers, at the global level, BYD Group conducts thorough investigations to ensure necessary credentials are met. Suppliers failing to meet required standards are not selected. Relevant cooperation agreements, including labour force compliance provisions, are signed with selected suppliers. The BYD supplier review sheet assesses supplier based on corporate social responsibility, safety, hazardous substance control and compliance. On-site verification is conducted with multiple veto provisions.

4.2 Routine review and evaluation of suppliers

BYD Group regularly reviews suppliers' corporate social responsibility performance on-site, comparing against labour force compliance requirements. Suppliers failing the review receive interviews, tutoring and training for improvement. Non-compliant suppliers may be severed from BYD Group's supplier network if they fail to meet standards within the given time.

4.3 Recruitment

BYD AU prioritises an "employees first" approach, fostering a fair, just, and open work environment.

We have established our own code of conduct and systems for human resources management and recruitment management, ensuring equal opportunity and prohibiting forced labour, labour trafficking and child labor.

All employment is voluntary, and we strictly prohibit any form of forced labour, including deception, threats, and acts of humiliation.

4.4 Whistleblower

BYD AU has established a whistleblower policy, allowing employees to report violations through designated channels managed by each business department. Management at all levels deals with complaints according to established procedures.

5. Assessment of effectiveness of our actions

At the global level, BYD Group has established a discipline inspection and audit department and a risk management committee to supervise operations and investigate potential risks. Regular inspections and cooperation with departments, including human resources, ensure compliance and identify and mitigate modern slavery risks.

BYD AU is committed to improving the working environment and employees health and safety through regular testing and health protection measures. BYD AU is aligning governance and risk management processes with BYD Group's framework, conducting ongoing assessments to ensure effectiveness and improve policies.

6. Consultation

BYD AU collaborates with BYD Group's procurement department, relevant departments and all stakeholders to ensure alignment with supply chain management and human rights compliance.

7. Approval

This statement has been approved by the board of BYD Australia Pty Ltd on May 20, 2024.



Wing You
Managing Director
BYD Australia Pty Ltd