



Chery Motor Australia Pty Ltd

Modern Slavery Statement

This Modern Slavery Statement is made on behalf of Chery Motor Australia Pty Ltd ACN 662 958 205 (“**Chery Australia**” “**our**”).

Chery Australia is a wholly owned subsidiary of Wuhu Purui Automobile Investment Co. Ltd and is part of the Chery Automobile group, which is headquartered in China.

Chery Australia was established in September 2022. Our offices opened in November 2022, and our commercial operations in Australia started in March 2023. We operate on a calendar year financial year.

This statement covers the 2024 Calendar Year, from January 1 2024 to December 31 2024.

We understand that modern slavery can occur in many forms, such as forced labour, child labour, domestic servitude, sex trafficking, human trafficking and debt bondage, and that modern slavery occurs worldwide.

It was approved by the board of Chery Motor Australia Pty Ltd on 30 June 2025.

Our Structure, Operations and Supply Chain

Chery Australia is the Australian arm of Chery Automobile Co Ltd, a vehicle manufacturer founded in 1997 and located in China.

Our operations involve the importation and sale of motor vehicles manufactured by Chery Automobile Co Ltd for wholesale to dealerships in Australia. Our operations include an office in Sydney from which the company operates to manage the importation and wholesale process.

Our supply chains include:

- The provision of professional services, including accounting, legal, marketing, public relations and communications;
- The manufacturing supply chains of our vehicles, which we import to Australia for wholesale to independent retailers;
- Suppliers of goods to Chery Australia that are not for resale to our clients, such as suppliers of office equipment and furniture, IT equipment and signage;
- Freight forwarders, logistics and transportation companies who manage the importation, storage and transportation of vehicles and related products into Australia, and to wholesale dealerships for Chery Australia.

Risks of Modern Slavery in our Operations

Our operations are based in Australia, where there is less of a geographic risk of modern slavery, and our operations are not in an industry identified by the Global Slavery Index as being an industry with a risk of modern slavery in Australia. We do acknowledge that modern slavery does occur in Australia, particularly in relation to vulnerable workers, immigrants and/or workers in low-skill positions or in casualised or insecure forms of work.



Chery Australia is committed to the highest standards of conduct and ethical behaviour in all our business activities, and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance, and strong corporate governance.

Our employees are key to the success of our organisation. We are committed to providing a safe, equal opportunity workplace that is free from discrimination, harassment and bullying, and a workplace that operates in compliance with Australia's workplace laws.

Labour Risks

Chery Australia engages workers as permanent employees. In the reporting period we had 49 employees based in Sydney, NSW. Our employees perform work related to sales, finance, marketing, product development and customer service.

In relation to our operations in Australia:

- 98% of our employees are covered by a Modern Award;
- None of our employees are directly engaged by us on a casual basis;
- We do engage some workers via a labour hire agency, and these workers perform work on a part time or casual basis. The labour hire agency is registered with the Victorian Labour Hire Authority, which imposes additional regulatory requirements and provides additional oversight and assurance that labour hire providers are complying with applicable laws in relation to employment;
- We do not engage any workers by way of independent contractor arrangements;
- We have an internal whistleblower policy which encourages reporting of wrongdoing by employees.

Whilst we do acknowledge that modern slavery can occur in Australia, the above factors, as well as the fact that all our employees are skilled professionals, reduces the risks of modern slavery occurring in our operations in Australia. Our whistleblowing policy and complaints mechanism, also provides avenues for employees to raise concerns or grievances.

As noted above, we do engage temporary workers through a labour hire agency. As this can limit our visibility over payments being made to workers, we understand this may increase our risk of modern slavery. However, the workers who are engaged via this method work on-site in our Sydney office directly with our marketing and finance teams, such that there is direct oversight over their working conditions. Labour hire workers are engaged to perform work in the marketing and finance teams and is not work of a kind with an identified modern slavery risk in Australia.

We also use recruitment services, though workers engaged via recruiters are directly employed by Chery Australia. Whilst we work with reputable recruitment agencies, we understand that recruitment can pose modern slavery risks, even in Australia. We do not use recruitment agencies to assist with engaging workers from overseas, which reduces the risk that debt bondage or other modern slavery practices may be occurring in our operations, and our employees who are being sponsored by us on working visas have been working for the Chery Corporate Group prior to being engaged with Chery Australia and are in executive positions. To mitigate the risk further we will obtain confirmations and warranties from recruitment agencies that they do not charge a fee to candidates or engage in any debt bondage practices.

Risks of Modern Slavery in our Supply Chains

Chery Australia rents its office space from Frasers Property Australia, and through this entity cleaning services are provided to our business. We appreciate that cleaning (particularly contract cleaning) is an industry with a risk of modern slavery in Australia, however, we do not have visibility over this aspect of our supply chain presently. However, we note that Frasers Property Australia is a reporting entity under the Modern Slavery Act, and we will make enquiries regarding the steps being taken to address risks of modern slavery in relation to the cleaning services provided to us by Frasers Property Australia.

As we are a new operation in Australia, having established the company in 2022 and with our business operations only commencing in early 2023, many of our largest suppliers by spend for the 2024 Calendar Year are media agencies, communications agencies, social media strategists, digital agencies and website management, advertising agencies and public relations. We also have many professional service suppliers, to provide accounting, tax and legal services to our company. These suppliers are all based in Australia. Due to the nature of the services being provided, and the location they are provided from, we have assessed that these supply chains have a low risk of modern slavery.

We utilise IT services relevant to our industry for our operations through a contracting arrangement. While the company we engage is based in Australia, there is a risk that their operations and supply chains may contain workers based overseas, in areas with higher risks of modern slavery. The contractor we engage to supply these services has a publicly available modern slavery commitment, a whistleblower policy and has identified they conduct due diligence processes in relation to high-risk areas, which provides assurance that steps are being taken to address risks in this supply chain.

Chery Automobile Co., Ltd

Our largest and most important supply chain are the vehicles sold by Chery Australia, which are manufactured by our parent company in China.

Chery Automobile Co., Ltd (Chery Automobile) operates from Wuhu City in the Anhui Province, which is a hub for automobile manufacturing and a base for manufacturing for many global brands.

Wuhu City is not an area identified as being at risk of modern slavery by any NGO, and Chery Automobile has not been contacted, audited, investigated or been subject to any adverse media from any government authority, regulator, NGO, migrant support group or worker welfare organisation regarding its workers.

In 2023 it employed over 13,000 employees, 96.93% of which were engaged on a permanent basis. As at the time of making this statement we are awaiting updated confirmed figures from Chery Automobile's 2024 ESG Report. Chery Automobile operates in compliance with China's Labour Laws, including by ensuring all workers:

- (a) have written contracts;
- (b) are covered by work-injury insurance;
- (c) have the legal right to work at the company;
- (d) are represented by a labour union and have a workplace representative;
- (e) are paid overtime for any hours in excess of 44 hours per week;
- (f) are able to access grievance handling processes and procedures.



Chery Automobile have also confirmed that:

- (a) workers are not required to pay a fee or incur a debt to the company in relation to their recruitment;
- (b) it does not hold any identity documents of workers;
- (c) it does not deduct wages or impose monetary fines on workers;
- (d) workers are not paying off debts owed to the company by providing labour;
- (e) they comply with the relevant legal requirements in China and guarantees that employees enjoy the relevant rights required by law.

Chery Automobile holds ISO45001 certification, which demonstrates commitment to management of risks in respect of workplace health and safety and ensuring safe work practices, together with ISO14001 certification, demonstrating its commitment to managing environmental responsibilities in a systematic manner.

Chery Automobile also has and enforces a Code of Business Conduct which reinforces:

- (a) the importance of speaking up in relation to compliance issues;
- (b) the importance of acting in accordance with applicable laws;
- (c) the need to respect others in the workplace, and not discriminate on the basis of ethnicity, culture, belief, gender or disability; and
- (d) the company values of "people-oriented" and "openness and inclusiveness".

In May of 2024 Chery Automobile Co published its first environmental, social and governance report (**2023 ESG Report**) on the 2023 Calendar year. The 2023 ESG Report details that in 2023 Chery Automobile Co., Ltd:

- (a) explicitly included conflict mineral compliance in supplier management requirements, stipulated the responsibility of suppliers to avoid purchasing conflict minerals or other controversial materials, and focused on promoting the traceability management system to avoid direct or indirect supply chain risks such as serious human rights violations, conflicts, and environmental damage;
- (b) requires suppliers to sign the "Chery Supplier Code of Conduct";
- (c) suppliers must upload a third-party due diligence report (including a compliance commitment, an authenticity commitment, conflict of interest, and other information), Qualification documents are reviewed strictly, and newly admitted suppliers are subject to a site visit and evaluation.
- (d) held an anti-corruption and compliance lecture themed "governing the enterprise according to law, operating compliantly, and building healthy, incorruptible and compliant cooperative relationships" at the Annual Supplier Conference to heads of 465 key suppliers and over 850 customer representatives, conveying the Company's stance on carrying out incorruptible operations, preventing corrupt practices, and building a fair and transparent "sunshine" supply chain jointly;
- (e) a total of 261 suppliers participated in Chery's special business ethics training;
- (f) developed an annual supply chain partner training plan focusing on our partners' training needs. We implement training programmes covering laws and regulations, industry standards, product quality, labour safety, environmental management, etc. to improve the



all-round capabilities of supply chain partners and strengthen the collaboration efficiency of the supply chain ecosystem;

- (g) organised three supplier training sessions with 1,624 participants in total;
- (h) Had, by the end of 2023, determined that:
 - a. 99.2% of its suppliers were certified to the IATF 16949 automotive quality management system;
 - b. 85.% of its suppliers were suppliers certified to the ISO 14001 environmental management system;
 - c. 100% of suppliers had signed the Supplier Code of Conduct.

We are presently awaiting the 2024 ESG Report and will update this statement once received.

Supplier Code of Conduct

The Chery Supplier Code of Conduct requires suppliers to:

- (a) Conduct due diligence on conflict minerals and metals in their supply chains to ensure products supplied to Chery do not infringe on human rights or proceeds from sales are not used to finance armed conflict;
- (b) Ensure that their employees have the right to fair labour conditions, and that they are compliant with national laws and welfare standards;
- (c) Avoid any forms of forced labour;
- (d) Not engage in any form of child labour (unless in accordance with applicable laws governing minimum ages)
- (e) Comply with laws regarding workplace safety and take appropriate measures to meeting occupational health and safety requirements.

In 2023, 100% of Suppliers signed the Chery Supplier Code of Conduct. This has continued for 2024.

In 2023, Chery announced a two-year partnership with UNICEF, providing \$6 million to support global education programs in China, Mexico, South Africa, and Türkiye, helping create inclusive, healthy, and safe learning environments for children and youth, and enhancing their future employment opportunities.

Chery Australia will work with our parent company and continue conversations with head office regarding the reporting requirements of Chery Australia under the *Australian Modern Slavery Act (2018)* and the concerns of the Australian market with respect to modern slavery in supply chains.

Chery Australia is aware of allegations by NGOs of forced labour, largely in in the Xinjiang region. We are working with our parent company and the Chery Group to obtain a greater understanding of the supply chains and risks that may need to be assessed and addressed, noting that such supply chains are long, and the risks may lie in raw materials.

One of its largest suppliers, Bosch Automotive Components (Suzhou) Co., Ltd, is part of the Bosch corporate group with reporting entities under Australia's Modern Slavery Act and publicly available commitments to modern slavery.

In subsequent formal reports, we will endeavour to undertake further due diligence into the supply chains of components and raw materials, particularly in respect of batteries, which we understand carry product-related risks as a result of the raw material inputs.



International Transport

As our business is involved in the importation and sale of vehicles manufactured overseas for sale in Australia. As such, we engage freight forwarders and transportation companies to manage the importation of vehicles and vehicle parts from China via sea freight. Due to the lengthy and complex nature of international transportation supply chains, there is a risk that modern slavery occurs in such supply chains which may not be easily assessed or addressed by Chery Australia. Of our logistics partners:

- (a) We engage Ceva Logistics to provide domestic warehousing, inland freight services and container unpacking services. Whilst warehousing may be at a higher risk of modern slavery, even in Australia, Ceva Logistics is a reporting entity under the Australian Modern Slavery Act. We will make enquires to ascertain what steps are being taken by Ceva to address modern slavery risks in their warehouse and transportation services;
- (b) We engage DHL Global Forwarding to provide customs clearance and document handling services related to our importation of vehicles. We note that DHL has filed a Modern Slavery Policy Statement on the Modern Slavery Register. However, we will make enquires to ascertain what steps are being taken by DHL to address modern slavery risks;
- (c) We engage Cosco Shipping Lines to provide ocean freight services. We will make enquires to ascertain what steps are being taken by Cosco Shipping Lines to address modern slavery risks in their ocean freight services.

Actions Taken to Address Risks of Modern Slavery in the Reporting Period

In addition to the abovementioned actions, during the reporting period Chery Australia have:

- Updated our whistleblowing policy to include references to modern slavery;
- Developed an interim modern slavery statement;
- Worked with our parent company in China to achieve a greater understanding of our supply chains and provide them with information about the Act and what we are required to report on.

Our modern slavery risks in our supply chains are largely outside of the control of Chery Australia, however we will continue to work with our parent company and broader corporate group to implement measures to address the risks of Modern Slavery.

Locally, in the next reporting periods we will:

- Conduct staff training on modern slavery;
- Continue to work with our parent company through their ESG reporting;
- Continue not to work with recruitment agencies who supply workers on visas, nor do we engage workers through labour hire agencies;
- Make enquiries with suppliers of cleaning services regarding their work practices.

Assessment & Effectiveness of our Actions

Chery Australia is a newly established company, and operates as a sales arm of our broader corporate group in the Australian market. We believe we have been effective in the reporting period in building awareness locally in the company, and within the broader corporate group regarding the Australian Modern Slavery Act.



The 2023 ESG Report reflects a commitment from the broader corporate group to eliminating Modern Slavery, and in the reporting period 100% of Chery Automobile Co's suppliers signed the Chery Supplier Code of Conduct, containing prohibitions on forced labour.

We believe our ongoing reporting requirements in subsequent reporting years and our working with the corporate group will assist in fostering transparency in supply chains and improving efforts to address and reduce risks of forced labour in our supply chains. This process will be targeted initially at our (and the Chery Group's) manufacturing supply chains as we have identified that these are supply chains within which the Chery Group may be able to exert influence.

In the reporting period, Chery Australia did not receive any reports of Modern Slavery occurring in our operations or supply chains. We understand this is not a guarantee that there is no modern slavery, however, and will in subsequent reporting periods consider how we can best assess the actions we have taken, and their effectiveness, so as to allocate resources efficiently. Moving forward, domestically, we are committed to working with our Tier 1 suppliers to assess and address risks of modern slavery in higher risk industries in Australia, including cleaning and recruitment.

Chery Australia is committed to implementing the following measures in subsequent reporting periods:

- Conducting staff training on modern slavery;
- Widening the accessibility of our whistleblower policy to cover reports from suppliers and their workers in relation to modern slavery concerns;
- Adopting a publicly available whistleblower policy with explicit references to modern slavery;
- Continuing to work within our corporate group to examine supply chains;
- Identify areas for future improvement to continue our efforts to continually improve our understanding of the risks of modern slavery in our operations and supply chains and how we can alleviate those risks.

Name of director: Chunqing Chen

Signature of Director:

A handwritten signature in black ink, appearing to read "Chunqing Chen", written over a light blue horizontal line.