



Modern Slavery Statement

JANUARY 2022 – DECEMBER 2022



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01 Introduction

SAIC Motor Australia Pty Limited (“**SAIC Motor Australia**”), and its subsidiary, SAIC Motor Australia Retail Pty Limited (“**SAIC Motor Australia Retail**”), (here within referred to as “**MG**”), are publishing this Modern Slavery Statement in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) (“the Act”). MG has prepared this statement to demonstrate its commitment to anti-slavery practices within its operations and supply chains. This statement covers the reporting period 1 January 2022 to 31 December 2022.

This single joint statement covers the following entities, both incorporated in Australia:

- SAIC Motor Australia Pty Limited (ACN: 608 096 519)
- SAIC Motor Australia Retail Pty Limited (ACN: 631 267 519)

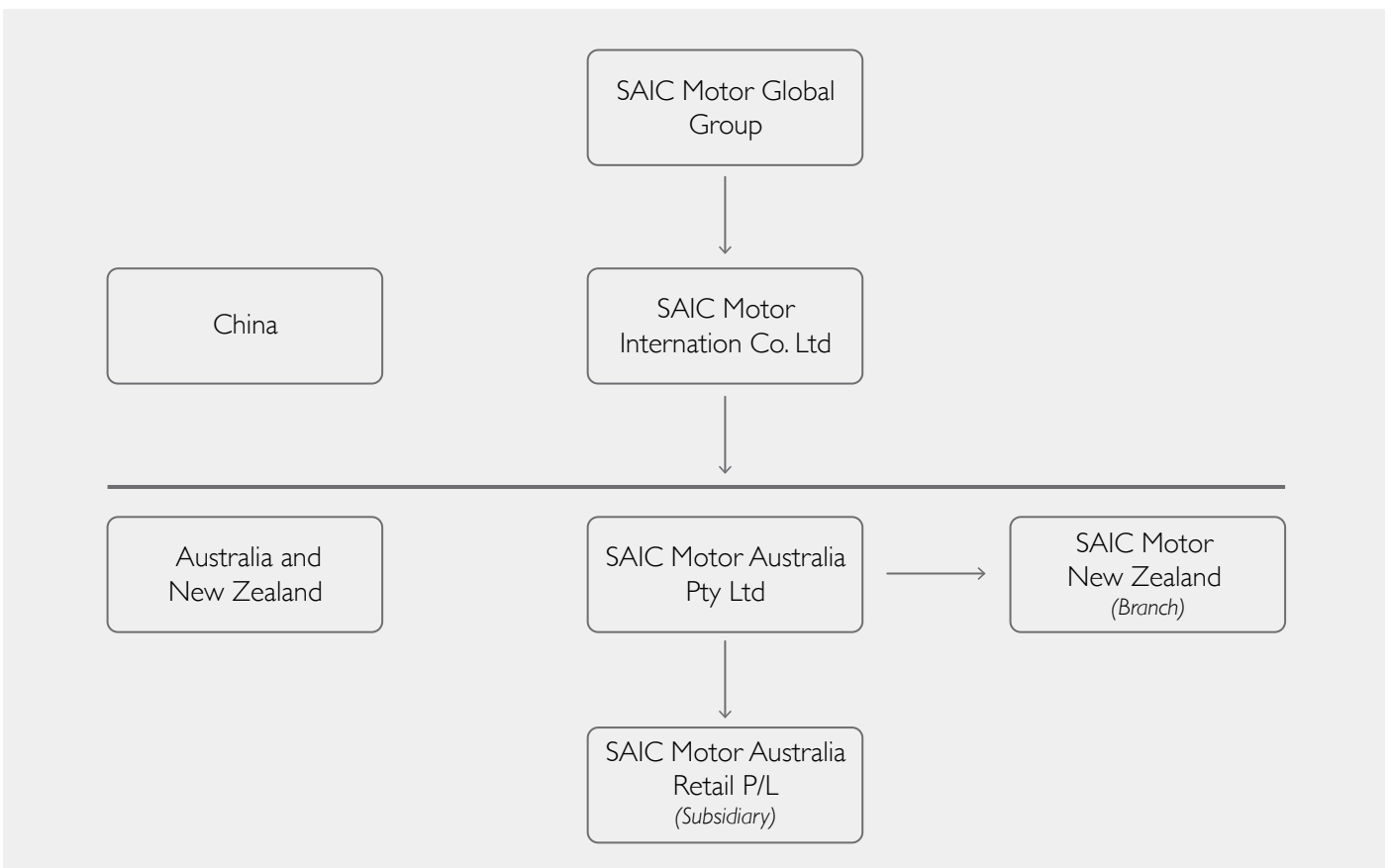
MG is committed to ensuring that business is conducted in line with the SAIC Motor Global Group’s Vision and Mission and Core Values, and the highest ethical standards are adhered to at all times. In publishing this statement, MG has commenced an investigation into its operations and supply chains to identify and address modern slavery risks.



02 Structure, Operations, and Supply Chain

SAIC Motor Australia is a privately owned automotive company, offering customers a range of different vehicle products. It has one subsidiary, SAIC Motor Australia Retail, which engages in retailing and servicing of MG vehicles to customers, and trades as 'Sydney City MG'. SAIC Motor Australia is also registered as a foreign branch in New Zealand, with both SAIC Motor Australia and New Zealand trading as 'MG'.

SAIC Motor Australia's parent company is SAIC Motor International Co Ltd ("**SAIC Motor International**"), a company incorporated in, and a resident of, China. SAIC Motor Australia forms part of the SAIC Motor Global Group, an automotive design and manufacturing group headquartered in China. A diagram illustrating the relationship between the Australian entities, their immediate parent, and the ultimate holding company is provided below.



MG's registered office is located at Level 19, 100 Arthur Street, North Sydney, 2060, with regional offices located in Sydney, Alexandria, Melbourne, Brisbane, Fullarton in Australia, and in Auckland, New Zealand.

02

Structure, Operations, and Supply Chain

PEOPLE

As at 30 June 2023, SAIC Motor Australia has 100 employees. The majority of employees are permanent, with a small number of casuals and contractors.

MG adopts an equitable approach when sourcing talent, with recruitment and selection decisions based on the principle of merit. MG creates a safe and healthy work environment in which employees are treated fairly and given recognition for their contribution to the company's success.

MG is committed to diversity and inclusion for all employees and ensures that unlawful discrimination does not take place.

OPERATIONS

MG imports and distributes vehicles and parts, conducts research and implements the SAIC Motor Global Group's strategies and marketing. The SAIC Motor Global Group is mainly engaged in research and development, sales, manufacture of vehicles and auto parts, as well as automobile service trading and financial investments.

The SAIC Motor Global Group's business segments include the following:

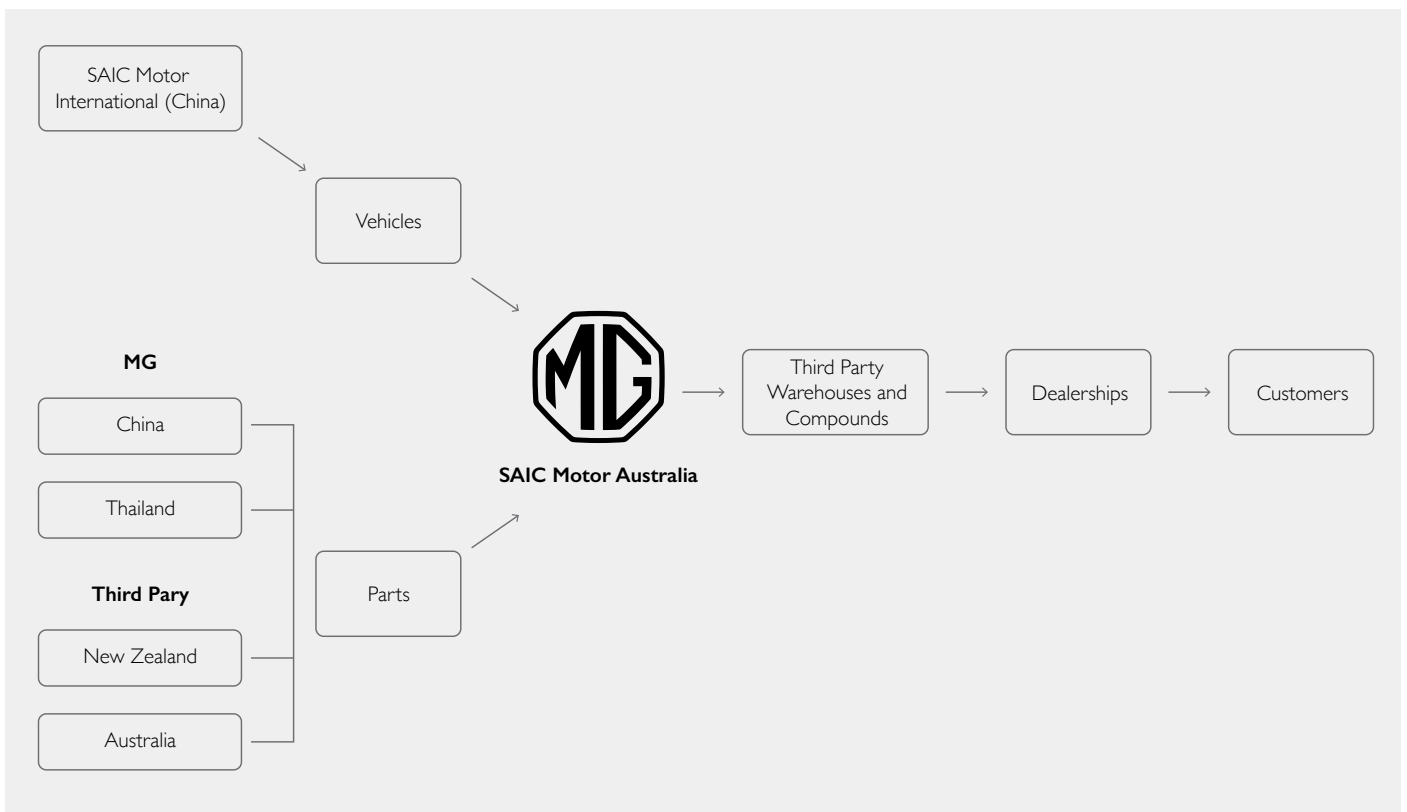
- Vehicles
- Auto parts
- Mobility and services
- Financial
- International operations

02 Structure, Operations, and Supply Chain

SUPPLY CHAIN MANAGEMENT

MG primarily focuses on the distribution of MG branded motor vehicles in Australia and New Zealand, with vehicles imported and manufactured in plants owned and operated by SAIC Motor International in China.

MG sources its parts from SAIC Motor International and from other third-party suppliers located in Australia, Thailand and New Zealand. Vehicles and parts are initially sent to a third-party warehouse when they arrive in Australia, and then delivered to its dealerships. MG has six vehicle compounds and one parts warehouse within Australia and two vehicle compounds and one parts warehouse within New Zealand, with all compounds and warehouses owned by third-party providers. A diagram illustrating MG's supply chain is provided below.



During the reporting period, MG engaged with 289 suppliers, where approximately 84% of its purchases were sourced from SAIC Motor International, 15% from Australian suppliers and less than 1% from third-party international suppliers. The total value of purchases sourced from all suppliers during the reporting period was \$424,536,976.

02 Structure, Operations, and Supply Chain

A diagrammatical breakdown, including the value of purchases, is provided below.

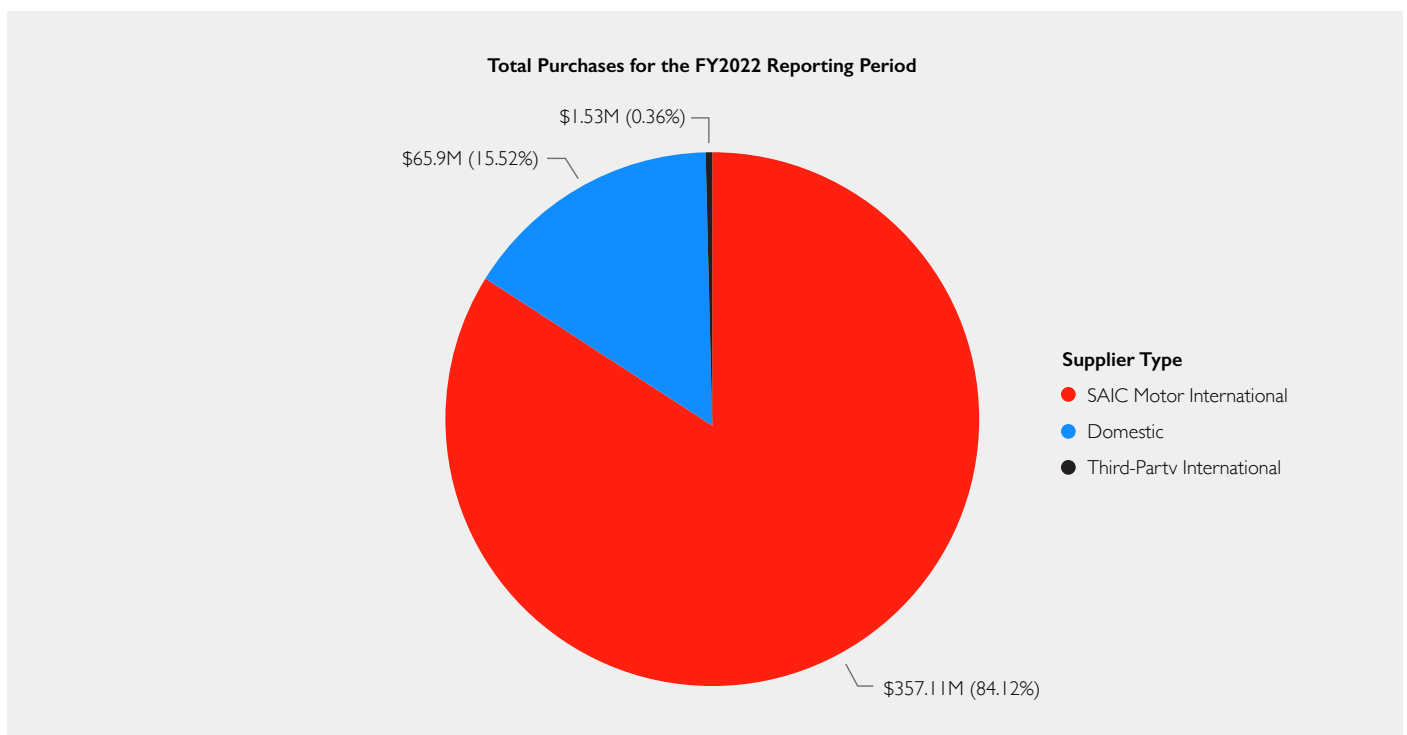
MG recognises that its vehicles and parts extend beyond those received from direct suppliers and incorporates indirect suppliers.

In terms of services, MG offers its customers after-sales services and roadside assistance via a third- party provider who has operations across Australia and New Zealand respectively. In addition, MG offers electric vehicle charging products and services to its customers.

MG's supply chains also utilise third-party providers based in Australia and New Zealand for services that contribute to its operations, including:

- Marketing and other corporate services;
- Cleaning and security services; and
- Logistics services for the transport of vehicles and parts.

MG is addressing modern slavery risks by continuously improving its Supplier Code of Conduct to ensure it emphasises and promotes MG's commitment to ethical, safe and socially responsible practices and behaviours, and that MG expects the same commitment from its suppliers. The MG Supplier Code of Conduct also details the minimum standards for upholding freedom of association, eliminating all forms of forced and compulsory labour; abolishing child labour and eliminating discrimination in respect of employment and occupation. Should MG consider one of its suppliers to be at risk of engaging in modern slavery activities, MG will work with the supplier to take corrective action by educating them to change their behaviour.



03

Risks of Modern Slavery Practices in the operations and supply chains of reporting entities and entities that the reporting entity owns or controls

Although MG has found no evidence of the company, or its subsidiary, causing or contributing to modern slavery practices, MG acknowledges that it is inherently exposed to modern slavery risks within its global supply chain, given a large proportion of MG's suppliers are located in countries that may pose a higher risk of modern slavery.

MG has identified the following areas where risks of modern slavery practices may arise within its supply chain and across its operations:

- **Raw material sourcing** – The automotive industry relies on the provision of several different raw materials, including aluminum, steel, rubber and lithium. These materials may be sourced from countries or regions where there is a greater chance of forced labour or exploitative working conditions.
- **Manufacturing facilities** – Modern slavery risks can exist within facilities, especially in countries with undeveloped labour laws and/or weak enforcement of those laws.
- **Subcontractors and suppliers** – Automotive companies may have complex supply chains involving several subcontractors and suppliers. The risk of modern slavery increases where there is diminished visibility and control over these networks.
- **Recruitment and migrant workers** – Migrant workers who may be vulnerable to exploitation due to language difficulties, being unfamiliar with local laws or having limited social networks, may be employed within the automotive industry. Immoral recruitment or employment agency practices may be conducted, including debt bondage, confiscation of passports or charging excessive recruitment fees, placing workers in situations of forced labour.
- **Transport and logistics** – Drivers and warehouse workers may face exploitative conditions. This may include forced labour conditions, such as excessive working hours and withholding of wages, potentially resulting in debt bondage.

04

Actions taken by the entity to assess and address risks of modern slavery including due diligence and remediation process

MG is taking positive steps towards assessing and addressing modern slavery risks within its operations and supply chains.

During the reporting period, MG engaged in discussions to develop a modern slavery compliance program and to determine the actions it is required to take to comply with the Act. This included considering the appropriate person to be assigned the responsibility for assessing and addressing modern slavery risks. MG identified that the person assigned to this role would be responsible for guiding the action plan for improving MG's response to modern slavery risks, with measurable outcomes and deadlines.

04

Actions taken by the entity to assess and address risks of modern slavery including due diligence and remediation process

In addition:

- MG commenced work to prepare a questionnaire for existing and new suppliers to complete. The questionnaire has been designed to align with the Act, as well as other environmental and social requirements. The questionnaire enables MG to adopt a collaborative approach with its suppliers to flag and address potential modern slavery practices.
- MG commenced work to amend its Supplier Code of Conduct and minimum ethical standards to ensure all suppliers are complying with MG's modern slavery obligations when conducting business with MG.
- MG commenced the development of its mandatory modern slavery training to be presented to all employees to support the identification, reporting and escalation of modern slavery risks at MG.
- MG commenced work to review and improve its existing policies and procedures to ensure they include provisions to address human rights and modern slavery risks. These changes will be communicated to all employees once actioned, to ensure all are aware of their obligations for identifying, assessing and mitigating modern slavery risks.

05

Description of how the entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

MG is committed to assessing and addressing modern slavery risks to ensure that the actions MG is taking are effective and create a positive impact. To assess the effectiveness of these actions, MG has:

- Started to develop a process to regularly review the actions and activities undertaken to assess and address modern slavery risks.
- Started to develop a formal communication channel with its suppliers, and intends to formally track:
 - The number of supplier questionnaires completed; and
 - The number of suppliers with current Modern Slavery Statements.
- Started to develop a process to formally record and track the completion of modern slavery information sessions and mandatory training by MG employees to ensure they are aware of MG's modern slavery commitments and how to identify and address modern slavery risks.

06

Description of the process of consultation with any entities the reporting entity owns or controls

In order to prepare this joint statement, SAIC Motor Australia engaged with each of the reporting entities covered by this statement and consulted the entities it owns or controls. SAIC Motor Australia and SAIC Motor Australia Retail regularly share resources and operations, with both entities committed to identifying, assessing and addressing modern slavery risks within supply chains and across operations.

07

Other Relevant Information

SAIC Motor Australia has prepared this statement on behalf of itself and its subsidiary, SAIC Motor Australia Retail, for the financial year ending 31 December 2022. MG is committed to continuously improving its approach towards assessing and addressing modern slavery risks. This will be reflected in future modern slavery statements.

To comply with the requirements of the Act, this joint statement has been approved by the board of SAIC Motor Australia on behalf of itself and SAIC Motor Australia Retail, on 30 June 2023, and is signed by a responsible Director of SAIC Motor Australia.

SAIC Motor Australia Pty Limited



Zongqiang Cao
CEO / Director
Date: 30 June 2023

