

CAR Group Ltd

MODERN SLAVERY STATEMENT FY23

December 2023





Cameron McIntyre
Chief Executive Officer
CAR Group Ltd



Pat O'Sullivan
Non-Executive Chair
CAR Group Ltd

A message from the CAR Group Chair and CEO

We are pleased to publish the FY23 Modern Slavery Statement for CAR Group Limited (formerly carsales.com Limited). This Statement reflects the progress we have made over the past twelve months and our ongoing commitment to address and combat modern slavery issues in our operations and supply chains.

Modern slavery is a complex and challenging issue and, as a large organisation, we understand that we have a responsibility to address this issue both in Australia and across the globe.

In FY23, we continued to refine our approach to mitigating modern slavery and assessing our ethical sourcing practices across our businesses, as detailed in this Statement.

Modern slavery risk management is an ongoing task, and our commitment to ethical sourcing is essential to our long-term success as a global business. We have enhanced our modern slavery processes and efforts in FY23, and we are confident that we can continue to do so in FY24 and beyond.

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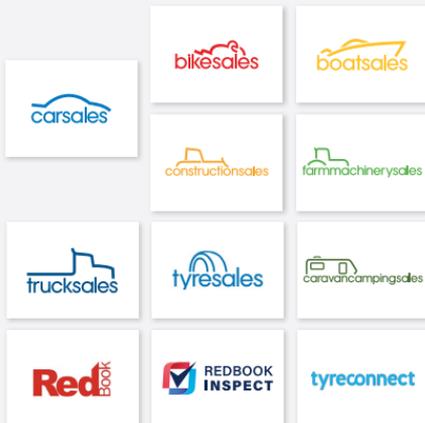
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Part A

REPORTING ENTITY AND ITS STRUCTURE, OPERATIONS AND SUPPLY CHAINS

About CAR Group Limited

Our Domestic Brands



CAR Group Limited (formerly carsales.com Limited) (ASX:CAR) ("CAR Group") operates a global digital marketplace business.

At CAR Group, our purpose is to make buying and selling a great experience. We bring together our people, consumers, dealers and manufacturers to deliver the best solutions and experiences in the automotive, commercial, industry and leisure vehicle classifieds markets globally.

Initially founded in Melbourne, Australia, our domestic brands have market leading positions in the automotive, motorcycle, caravan, marine, truck and equipment industries.

Our International Brands



In the United States, Trader Interactive is a leading integrated platform of non-automotive marketplaces across the RV, powersports, truck and equipment industries.

CAR Group's businesses also extend to South Korea, Brazil and Chile where CAR Group continues to be a market leader in the automotive digital marketplace space.



CAR Group's controlled entities

CAR Group controls various entities in Australia and overseas, including those listed below.

Country	Entities
Australia	Appraisal Solutions Australia Pty Ltd, AS1 Holdings Pty Ltd, Automotive Data Services Pty Ltd, carsales Argentina Pty Ltd, carsales North America Holdings Pty Ltd, carsales Foundation Pty Ltd, carsales Holdings Pty Ltd, carsales Latam Pty Ltd, carsales.com Investments Pty Ltd, carsales ESI Pty Ltd, carsales Treasury Pty Ltd, CS Motion Australia Pty Ltd, CS Motion Development Pty Ltd, CS Motion Technologies Pty Ltd, Discount Vehicles Australia Pty Ltd, Equipment Research Group Pty Ltd, Programmatic Solutions Pty Ltd, RedBook Inspect Pty Ltd, carsales Tyre Holdings Pty Ltd, Tyresales Pty Ltd, Tyreconnect Pty Ltd, Transport Ventures Pty Ltd and Webpointclassifieds Pty Ltd
New Zealand	Auto Information Limited
USA	Trader Interactive, LLC (100% interest in FY23), Demotores Holdings LLC, SSI, LLC, NatCo Trading Corporation
Chile	carsales Chile SpA, Chileautos SpA, DeMotores Chile S.p.A
Argentina	DeMotores S.A
Colombia	Demotores Colombia S.A.S
South Korea	Encarsales.com Ltd
Malaysia	Red Book Automotive Services (M) Sdn Bhd
China	Red Book Automotive Data Services (Beijing) Limited
Thailand	Automotive Data Services (Thailand) Company Limited
Mexico	carsales Mexico SAPI De CV, Especializadas, S. de R.L. de C.V
Brazil	Webmotors S.A. (majority interest acquired in FY23), LOOP Gestao de Patios S.A., Car10 Tecnologia e Informacao S.A.



Overview of our operations

CAR Group is one of the largest online vehicle marketplace businesses in the world. Our global markets have a combined population of 750 million people and car sales volumes of approximately 25 million per annum. Key aspects of our operations include:

- **Online advertising services:** Comprised of:
 - Classified advertising which allows our private and dealer customers to advertise automotive and non-automotive goods for sale across the carsales network; and
 - Display advertising which involves corporate customers, such as automotive manufacturers and finance companies, advertising their brand or goods and services on CAR Group's websites.
- **Data, research and other services:** CAR Group also provides a diverse range of solutions for our customers including software as a service, research and reporting, valuations, appraisals, website development and hosting and photography services.

More information about our operations is included in Part B of this Statement and our [FY23 Annual Report](#).

Where We Operate



Overview of our supply chains

Our major spending categories throughout FY23 included:

- **Technology** - such as software licences, hardware, cloud-based services and digital infrastructure;
- **Marketing products and services** - such as events, sponsorships, advertising and merchandise;
- **Professional services** - such as consulting fees, specialist contractors and administrative support;
- **Facilities** - such as office rent, capital improvements and support services (e.g. security, cleaning);
- **Tyres** - purchase of rubber-based tyres for supply to customers as part of our tyresales and tyreconnect businesses; and
- **Travel** - airfares, accommodation, and transportation.

A large portion of our spend is with large multinational companies based in low-risk countries. We acknowledge that our direct suppliers may have many suppliers of their own (tier 2 suppliers) which in turn have their own suppliers (tier 3 suppliers) and so on. As a result, this means that CAR Group's overall supply chain footprint is large and complex.

Governance structure

CAR Group adopts a multi-layered governance approach to address the risks of modern slavery, as described below. Further information about our corporate governance arrangements is set out in our [FY23 Corporate Governance Statement](#).



Board of Directors: The Board of Directors has ultimate responsibility for modern slavery risk management arrangements for CAR Group. Part of CAR Group management’s monthly reporting to the Board of Directors includes notification of any instances of modern slavery identified to ensure year-round oversight.

Risk Management Committee: The Board’s Risk Management Committee assists the Board of Directors by (a) receiving updates on CAR Group’s risk register, which includes modern slavery related risks; and (b) overseeing any reports of instances of modern slavery in CAR Group’s operations or supply chains.

Global Executive Leadership Team: All Global ELT members have completed modern slavery awareness training and are responsible for ensuring compliance with modern slavery policies within their business areas. The Global ELT receives updates about modern slavery issues as appropriate.

Modern Slavery Working Group: The Modern Slavery Working Group is an operational group that liaises with relevant business functions (e.g. procurement, finance, legal) to help manage modern slavery risks in CAR Group’s operations and supply chains. The Modern Slavery Working Group also consults with domestic leadership teams and provides updates to the Board or Board Risk Management Committee as appropriate.

Governance framework

- **Global Code of Conduct:** Our Global Code of Conduct applies to all officeholders, employees and contractors. It prescribes high standards of behaviour, reflecting both legal obligations and stakeholder expectations, and is described in more detail on page 12 of this Statement.
- **Supplier Code of Conduct:** Suppliers are expected to adhere to our Supplier Code of Conduct, which sets out required standards and behaviours for suppliers - including respect for human rights and the avoidance of modern slavery in suppliers' own supply chains. Our Supplier Code of Conduct is described in more detail on page 13 of this Statement.
- **Human Rights Policy:** We are committed to respecting human rights and complying with all laws in the countries in which we operate. Our Human Rights Policy reflects our commitment to the ten principles of the United Nations Global Compact regarding human rights, labour, environment and anti-corruption.
- **Global Whistleblowing Policy:** Our Global Whistleblowing Policy is designed to provide a mechanism for employees and stakeholders to report concerns, such as unethical behaviour, illegal activities, or violations of company policies, without fear of retaliation. Our whistleblower hotline is supported by an independent party, Deloitte, to encourage disclosure in a confidential manner.
- **Procurement Framework:** Our Procurement Framework facilitates the integration of modern slavery risk controls in our procurement operations. For example, suppliers are asked to complete our Supplier Questionnaire and accept our Supplier Code of Conduct as part of our supplier onboarding process.

Governance framework (cont.)

- **Risk Management Policy:** Our Risk Management Policy details how we identify, assess and manage various types of risks to protect our operations and stakeholders. The policy defines responsibilities, risk assessment methods, mitigation strategies, and compliance measures to facilitate effective risk management.
- **Modern Slavery Policy:** In FY23, CAR Group adopted a new overarching Modern Slavery Policy, which describes operational processes and procedures to give effect to our modern slavery risk mitigation activities. See page 14 for more details.

Policy governance arrangements:

- **Communication to stakeholders:** Internal policies and procedures are made available to CAR Group personnel via the corporate intranet. External policies are publicly available on the [CAR Group investor website](#). Our policies also form part of the induction process for all employees globally.
- **Review cycle:** Policies typically have nominated review dates and are also updated as required (e.g. to align with business changes or legislative changes).
- More information about CAR Group's corporate governance practices and procedures is available on our [Charters & Policies page](#).

Governance framework - Global Code of Conduct

- Our Global Code of Conduct contains a set of ethical guidelines and principles that guide our behaviour and the interactions of our personnel on a worldwide scale. It serves as a framework for ensuring consistency in decision-making across diverse cultural and geographical contexts. This Code helps maintain the reputation of our businesses, promote ethical practices, and comply with legal requirements on a global level.
- Our Global Code of Conduct outlines principles which assist us to address modern slavery risks such as:
 - acting in accordance with the highest ethical standards;
 - respecting and abiding by all laws both domestically and internationally;
 - complying with all local and global company policies, procedures and guidelines which address issues such as work hours and employment conditions;
 - outlining a zero tolerance approach to unlawful discrimination, harassment of any kind, violence and offensive conduct;
 - providing a healthy and safe environment for all employees, contractors and visitors; and
 - valuing and acting to embrace and respect diversity.

Governance framework - Supplier Code of Conduct

Our Supplier Code of Conduct outlines the ethical, social, environmental, and business standards that we require of our suppliers when conducting business with us. The purpose of the Supplier Code of Conduct is to ensure that suppliers align with our values and expectations, and promote responsible and ethical business practices, including through the supplier's own supply chains.

The Supplier Code of Conduct sets out a range of principles relating to modern slavery risk mitigation. It seeks commitments from suppliers that:

- human rights of workers will be upheld;
- they comply with applicable laws regarding labour practices and human rights;
- there are no unreasonable restrictions on workers' freedom of movement;
- their personnel will not be required to surrender government issued identification, passports or work permits as a condition of employment;
- working hours do not exceed the maximum set by law;
- all wages and benefits comply with applicable awards and laws; and
- there is no harsh or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers - nor is there the threat of any such treatment.

Australian entities in the CAR Group utilise this [Supplier Code of Conduct](#). Some international CAR Group entities utilise their own Codes of Conduct appropriate to their local operating environment (e.g. in the local language) but which contain similar core provisions.



Governance framework - Modern Slavery Policy

Since our first Modern Slavery Statement in FY20, we have developed a range of processes to help manage modern slavery risks in our operations and supply chains. In FY23, we identified that an overarching Modern Slavery Policy would help formalise these processes and promote consistency and awareness across our businesses.

Our Modern Slavery Policy includes:

- procedural steps for responding to any actual or suspected instances of modern slavery;
- requirements for onboarding new suppliers;
- guidance for identifying, mitigating and managing modern slavery risks; and
- modern slavery awareness training expectations for internal and external stakeholders.

In FY24, the Modern Slavery Policy will be rolled out across the business. CAR Group will also undertake a desktop modern slavery incident exercise to test its modern slavery incident management processes.

Our approach to sustainability

Our approach to managing modern slavery risks forms part of our broader approach to sustainability, which is described in greater detail in our [FY23 Sustainability Report](#).

Our success in remaining a leader in the long term lies in our operating model which embeds sustainable business practices across our value chain. The steps we take to mitigate the risks of modern slavery in our operations and supply chains are important elements of our sustainability plan.

Our Sustainability Report explains what sustainability means to us and our key stakeholders and how we constantly seek to improve our management practices to address material environmental, social and governance issues within a fast-paced, evolving environment. This desire for continuous improvement translates into a clear strategy to achieve our goals and targets, which lead to firm actions across multiple areas of our business, and regular monitoring of our progress towards those goals and targets.



Part B

RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

Our global labour force



At CAR Group, we rely on a highly diverse workforce and engage people with broad and varied skillsets, ranging from salespeople through to technology experts. In FY23, our workforce exceeded 1800 FTE employees.

Our workforce is our most valuable resource, with our employees and personnel responsible for building and delivering products, providing outstanding service to our customers, and helping us achieve our purpose and deliver on our vision.

To maintain strong working relationships with our employees and personnel, we run our global employee opinion survey (EOS) twice per year, as well as onboarding and exit surveys to understand what our employees want and need. We also run regular in-country town halls hosted by local leadership teams as well as quarterly global catch ups hosted by the Global ELT. Further information on how we support our people can be found in our FY23 Sustainability Report.



Our global labour force: Operational risks

Operational risk profile

Our core business activity of creating digital marketplaces presents generally low operational modern slavery risks. We employ a highly skilled and professional workforce, with direct employment constituting the majority of our total operating costs.

Our labour force

We predominantly utilise highly skilled professionals, generally engaged in lower risk countries, so the risk profile of our operations is relatively low. However, some areas of CAR Group's operations present higher modern slavery risks, including:

- **Engaging personnel in higher risk jurisdictions:** Whilst our operations are based in countries that typically have a lower country vulnerability score in the Global Slavery Index 2023, our operations in Mexico*, Brazil, China, Malaysia and Thailand present higher geographical risks than our other operating jurisdictions.
- **Utilising offshore business services:** Such services may present a higher geographical risk due to weaker local worker protection, as well as using temporary or foreign workers.
- **Contingent workforce:** Most of our short-term contractors are highly skilled professionals, presenting a low risk. However, our contingent workforce may include higher risk arrangements from time to time such as labour hire for performing warehouse duties.

CAR Group employees		
	FTE employees	Country risk rating [^]
Australia	748	7
USA	379	25
South Korea	391	29
Brazil	158	47
Chile	74	22
Mexico*	25*	58
New Zealand	10	8
Thailand	10	~46
China	8	~46
Malaysia	5	47
Total employees (FTE)	1808	

[^] Vulnerability score of each country, from the Global Slavery Index 2023, Minderoo Foundation, available from [globalslaveryindex.org](https://www.globalslaveryindex.org).

* On 2 August 2023, CAR Group announced it was exiting the SoloAutos business.



Supply chain risks

As a predominantly online services business, CAR Group's operations and supply chains present a lower modern slavery risk profile than many similar sized businesses in other sectors. Nevertheless, some aspects of our supply chains present heightened risks of modern slavery, including the procurement of:

- **Merchandise** - As a leading consumer brand, we purchase merchandise such as promotional t-shirts and other apparel. Garments and cotton are both considered to present high modern slavery risks.¹
- **Computer hardware** - We regularly purchase computers, hardware and other electronics to support our business operations. Electronics have been identified as one of the highest risks products imported into Australia.²
- **Tyre businesses** - Procurement of tyres is a key component of the operations of our tyre businesses (tyresales and tyreconnect). The production of raw materials such as rubber has been linked to forced labour and presents a modern slavery risk.³
- **Facility operations and support services** - To support the operations of our offices and facilities, we rely on support services such as cleaning, hospitality, security, and maintenance. Industries such as cleaning have been associated with underpayments, withholding of wages and excessive working hours, resulting in a higher modern slavery risk.⁴

When completing supplier onboarding processes, suppliers are required to identify if they will be providing goods or services to us that fall into any of the above categories, together with other categories considered to present higher risks (including labour hire services, provision of raw materials and transport/shipping services). In FY23, our largest 'higher risk' procurement categories were labour hire/professional offshore services (17%), automotive components (12%), garments (9%), tyres (6%), office services (6%) and transportation (4%).

¹ Walk Free 2023, The Global Slavery Index 2023, Minderoo Foundation. Available from <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>, p 254.

² Ibid.

³ Ibid, page 176.

⁴ Australasian Centre for Corporate Responsibility, Cleaning up their Act? Modern Slavery Due Diligence in the Australian Property Sector. Available from: <https://www.accr.org.au/downloads/2021-06-15-accr-cleaning-up-their-act.pdf>.

Identifying supply chain risks using our supplier questionnaire

Supplier Questionnaire

Our online supplier questionnaire provides insight into our suppliers, facilitates risk assessment, and helps us make informed decisions. Responses to our questionnaire are automatically assessed by our supplier screening tool. The screening tool assigns each supplier a risk rating based on the responses provided to the questionnaire. Where a supplier is calculated to present a modern slavery risk, the supplier's questionnaire answers are sent to our Modern Slavery Working Group for further consideration and action.

Screening Processes By Our Global Subsidiaries

Where practical, we aspire to adopt a globally consistent approach to supply chain modern slavery risk management. However, at this stage some global subsidiaries operate separate supplier onboarding and questionnaire processes, including because of:

- de-centralised procurement processes across some parts of the CAR Group;
- different legacy systems and processes of recently acquired entities;
- language and cultural barriers necessitating location and language-specific onboarding materials; and
- different levels of familiarity with modern slavery due diligence processes in operating locations where there is no comparable domestic modern slavery legislation.

We have adopted a principles-based approach where all questionnaires across CAR Group are intended to address the same core issues, whilst allowing for regional variations. This allows subsidiary entities to adopt processes that are appropriate to their local operating environment, whilst also ensuring that CAR Group mitigates the risks of modern slavery in its operations and supply chains globally.



Alternative methods of identifying modern slavery risks posed by our suppliers

Whilst our Supplier Questionnaire is the primary means of assessing modern slavery risks posed by suppliers, it is not always possible to mandate the completion of a questionnaire.

In such circumstances, if we opt to continue to engage with the supplier, we may use other methods to assess the supplier's modern slavery risks, such as:

- the overall risk profile of the supplier based on the nature of the engagement, the location of the supplier, and the types of goods or services to be provided;
- the supplier's published modern slavery statement or other relevant policy documents (if applicable);
- other publicly available information about the supplier; and/or
- informal discussions with the supplier about its approach to modern slavery.

Supply chain risks: Trends in FY23

Acceptance of our Supplier Code of Conduct

In FY23, **93%** of supplier questionnaire respondents agreed to comply with the CAR Group Supplier Code of Conduct. This is less than in FY22 (**95%**) and FY21 (**97%**).

These figures reflect that more suppliers have their own Codes of Conduct and adopt the position of not accepting additional Codes of Conduct of their clients. In such circumstances, we review the supplier's own Code of Conduct to consider if it addresses similar issues to CAR Group's Code of Conduct. If the supplier's own Code of Conduct addresses comparable issues to our own, we consider this to be sufficient.

Suppliers' modern slavery reporting

In FY23, **32%** of supplier questionnaire respondents stated that they submitted their own modern slavery statement (either under the Modern Slavery Act 2018 (Cth), or comparable foreign law). This is a significant increase from FY21 when **17%** stated that they had submitted their own modern slavery statement. This figure reflects that CAR Group onboarded a greater number of larger suppliers with more sophisticated approaches to modern slavery in FY23.

Supplier's history of modern slavery incidents

In FY23, **0%** of suppliers reported a previous incident of modern slavery. This figure remains the same as in FY22 (**0%**) and FY21 (**0%**).



Part C

ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

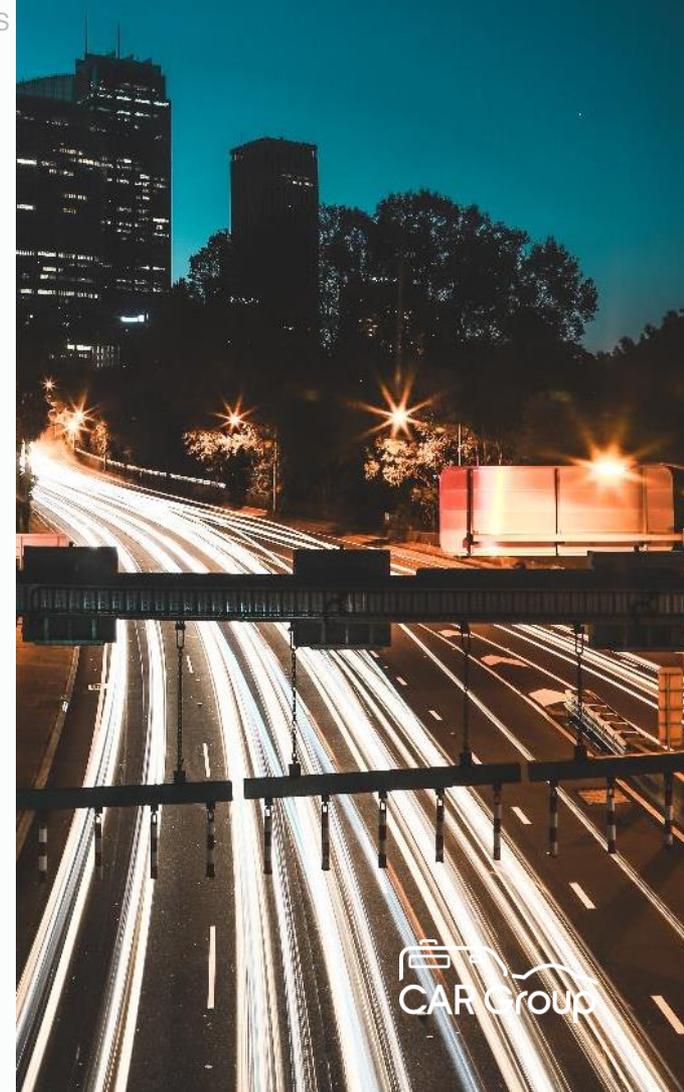
Training program

We recognise that it is important to train our personnel to help ensure that modern slavery risks are appropriately identified, managed and remediated. Our internal training program includes:

- selected staff (including senior leadership and all key personnel regularly involved in procurement) completing modern slavery awareness training;
- the Modern Slavery Working Group consulting with specific business units to provide advice and guidance about CAR Group's processes and procedures relating to modern slavery;
- all staff across the CAR Group being provided with details of relevant policies upon commencement (such as our Global Code of Conduct and Global Whistleblowing Policy);
- making modern slavery training materials and background materials available to staff via the company intranet; and
- providing other related training sessions (for example, relating to our Procurement Framework) which include details about modern slavery compliance.

In addition to our internal training program, we also:

- offer modern slavery training material and support to all suppliers that complete our supplier questionnaire; and
- proactively seek completion of training material by some suppliers identified as being high risk.



Training program progression



Addressing supply chain risks

Where practical, we seek the following commitments from our suppliers:

Contractual Commitments



Notification

Suppliers must notify us of any actual or suspected instances of modern slavery in their supply chains.



Audit

Suppliers must provide us with reasonable access to their records and premises.



Record keeping

Suppliers must keep sufficient records to enable carsales to verify the source of any goods or services supplied.



Training

Suppliers must cooperate with us to facilitate training of their employees and sub-suppliers.

Compliance With Code Of Conduct

We seek a commitment from suppliers to comply with our Supplier Code of Conduct. The Code of Conduct sets out expected standards and behaviours - including respect for human rights and absence of modern slavery in the suppliers' own supply chains.

Completion Of Our Supplier Questionnaire

Where risks are identified, we work with our suppliers to seek to mitigate those risks where appropriate, or undertake other steps to mitigate those risks (see page 27).

Engaging with our suppliers to address risks

We seek to positively engage with our suppliers to help identify and mitigate modern slavery risks. Where serious and unmitigated modern slavery risks are identified with a supplier, we consider appropriate risk mitigation activities such as:

- requiring the supplier to rectify risks before the engagement commences;
- restricting the scope of engagement;
- enhanced surveillance and audits;
- conducting a deeper analysis of the supplier's tier two suppliers;
- seeking additional contractual assurances;
- requiring the supplier to undergo training; and
- discussing our concerns with the supplier.

Where modern slavery risks cannot be reasonably mitigated or managed, we will endeavour to engage an alternative supplier and / or terminate an existing supplier relationship.

We have also set up a dedicated modern slavery contact point for suppliers to be able to contact us with any questions or issues regarding modern slavery.

Remediation activities

No instances of modern slavery were identified in our operations or supply chains in FY23, so no remediation activities were required to be carried out.

However, we acknowledge that businesses that have caused or contributed to modern slavery should provide for, or cooperate in, the remediation of that impact.

Where a modern slavery incident is identified, we would consider the extent to which remediation is appropriate, by reference to factors such as:

- the extent to which CAR Group has caused or contributed to the incident;
- options for remediation; and
- the extent to which CAR Group can work with its clients, suppliers or other relevant stakeholders to achieve remediation.

The need to consider appropriate remediation actions have been formalised in the incident handling processes of our Modern Slavery Policy.



Case studies

Examples of actions taken to assess and address risks:

CASE STUDY 1: In FY23, CAR Group site caravancampingsales.com.au launched an online marketplace allowing consumers to purchase camping and outdoor equipment and accessories. Whilst these suppliers do not provide goods or services to us, and do not form part of our direct supply chain, we nevertheless reviewed these suppliers for modern slavery risks. Where any of those third parties were identified as higher risk, we took the relevant steps in accordance with our ordinary training program, such as seeking completion of our modern slavery training material. This reflects our commitment to working with third parties that operate in an ethical manner, consistent with the principles described in our Global Code of Conduct.

CASE STUDY 2: The purchase of tyres by our tyre businesses (tyresales and tyreconnect) presents higher modern slavery risks than other areas of our business (as described on page 19). In FY23, the Modern Slavery Working Group received the greatest level of unprompted key stakeholder engagement from our tyre businesses in recent years with tyre suppliers being assessed for modern slavery risk at an early stage in the procurement process, allowing for more proactive engagement with suppliers and more detailed consideration of modern slavery issues.

CASE STUDY 3: In FY23, we continued to assess new suppliers for modern slavery risks. During the course of the year, CAR Group sought to enter into a new labour hire engagement (a category which has been identified as presenting a higher modern slavery risk). The selected provider presented high modern slavery risks, for which we considered mitigation options and alternatives. Ultimately, unable to gain comfort from the assurances offered by the supplier about modern slavery issues, CAR Group proceeded with an alternative supplier.

Part D

ASSESSING OUR EFFECTIVENESS

How we measure effectiveness

Measuring the effectiveness of our current actions is an important step in continuous improvement.

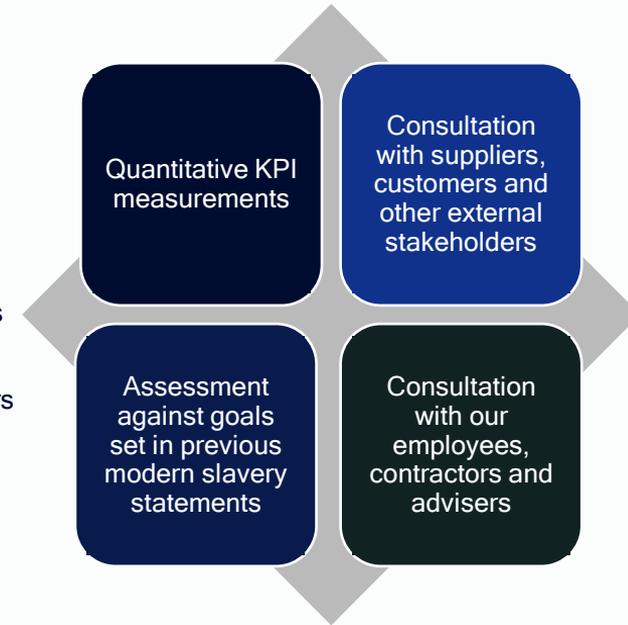
We assess our effectiveness against our overarching modern slavery goals, which include:

- taking reasonable steps to mitigate the risk of modern slavery arising in our operations and supply chains;
- promptly and efficiently managing any reports of potential or actual modern slavery incidents; and
- ensuring our internal and external stakeholders are aligned with our vision and take tangible actions to address modern slavery risks.

Additionally, we seek to achieve our yearly goals described in our Modern Slavery Statements.

We track our progress towards achieving our goals using measures including:

- quantitative KPIs;
- qualitative assessments; and
- consultation with feedback from internal and external stakeholders.



Key performance indicators

KPI	FY20	FY21	FY22	FY23
Internal KPIs:				
Modern slavery training KPI - Percentage of employees who have been assigned modern slavery training that have completed that training.	-	100%	100%	100%
Mandatory training KPI - Percentage of employees who have been assigned mandatory induction training that have completed that training (e.g. covering our Global Code of Conduct, Global Whistleblower Policy etc).	-	-	98%	99%
Grievances KPI - Number of grievances submitted relating to modern slavery.	0	0	0	0
Modern slavery incidents KPI - Number of identified instances of modern slavery in CAR Group's operations or supply chains.	0	0	0	0
Remediation KPI - Number of identified modern slavery incidents that have involved remediation action by CAR Group.	0	0	0	0
Supplier engagement KPIs:				
Code of Conduct KPI - Percentage of suppliers agreeing to comply with CAR Group's Supplier Code of Conduct.	-	97%	95%	93%
Notified instances of modern slavery in supply chains KPI - Reported instances from suppliers of modern slavery in a supplier's operations or supply chains.	0	0	0	0



Assessing achievement of our goals for FY23

Goals set in FY22 for FY23	Description of progress	Self-assessment of progress
<p>Goal 1: Continue to align recently acquired companies with CAR Group modern slavery risk management arrangements</p>	<p>In FY22 we set the goal of reviewing and implementing modern slavery processes for newly acquired businesses to reflect the approach of CAR Group. During FY23, CAR Group fully acquired Trader Interactive, and increased its stake in Webmotors to 70%. The Modern Slavery Working Group met with Trader Interactive and Webmotors to consider issues such as reviewing high risk suppliers of those entities and evaluating current supplier onboarding processes (e.g. reviewing Supplier Code of Conduct, standard contractual controls and due diligence processes utilised by those entities). As a dynamic and acquisitive business, we will continue to align our new and recently acquired entities into the future.</p>	<p>Significant achievement and ongoing.</p>
<p>Goal 2: Enhance our internal training and awareness program</p>	<p>In FY22, we set the goal of making modern slavery awareness training available to all employees in Australia. In FY23, we rolled out a modern slavery awareness hub on our company intranet, accessible to all employees. The platform serves as a central point of information and helps provides employees with the knowledge to identify issues of modern slavery and understand the impact that it may have on affected individuals. An increased number of staff have also completed our 'Combatting Modern Slavery' online training module.</p>	<p>Significant achievement and ongoing.</p>
<p>Goal 3: Enhance our training program externally</p>	<p>In FY22, we set the goal of making our supplier modern slavery awareness material more broadly available, and to develop a policy describing when suppliers may be asked to complete additional training. In FY23, we offered modern slavery training and other support to all new suppliers that complete our supplier questionnaire. We also developed a Modern Slavery Policy which details circumstances in which we may proactively ask a supplier to complete additional training.</p>	<p>Significant achievement and ongoing.</p>
<p>Goal 4: Develop a formal policy regarding non-compliant suppliers</p>	<p>In FY22, we set the goal of developing a policy for managing suppliers that may refuse to complete our supplier onboarding questionnaire or that cannot provide suitable assurances about how to mitigate modern slavery risks. In FY23, we developed a Modern Slavery Policy which details how we will deal with non-compliant suppliers. We will continue to progress these arrangements by rolling out the Policy across our business.</p>	<p>Significant achievement and ongoing.</p>
<p>Goal 5: Continue to engage with our suppliers</p>	<p>In FY22, we set the goal of continuing to engage with our suppliers around the world to improve modern slavery risk controls. In FY23, we engaged with our suppliers, including by educating smaller suppliers about the concept of modern slavery, reviewing the existing modern slavery arrangements of larger suppliers and asking suppliers to engage with their own supply chains. This is an ongoing process that will continue to be a goal into the future.</p>	<p>Significant achievement and ongoing.</p>

Assessing our effectiveness through consultation

In addition to goal setting and measuring KPIs, we measure effectiveness by consulting widely about modern slavery issues. Consultation includes:

Consultation with external consultants

We received feedback about our FY22 Modern Slavery Statement from multiple external consultants, which provided valuable insights into our strengths and identified areas for improvement which will continue to be a focus in FY24.

We have also reviewed updated materials prepared by third parties, such as the updated Modern Slavery Index 2023, and the Attorney-General's Guidance for Reporting Entities of May 2023.

Consultation with employees

The Modern Slavery Working Group regularly liaises with a range of business functions including our commercial, finance and legal teams to obtain feedback about our modern slavery arrangements.

Consultation with our suppliers

We regularly engage our suppliers to discuss modern slavery issues and obtain feedback about our modern slavery processes.

Consultation across the CAR Group

The Modern Slavery Working Group engages CAR Group's international subsidiary entities from time to time to seek feedback about modern slavery issues. In FY24, consultation with international subsidiaries will be enhanced via the appointment of 'modern slavery compliance champions'.

Goals for FY24

FY24 goal	Description
<p>Goal 1: Continue to align newly acquired companies with CAR Group's modern slavery risk management arrangements</p>	<p>In FY24, CAR Group will build on its progress in FY23 by continuing to align more recently acquired entities with CAR Group's modern slavery risk management arrangements. We also intend to appoint designated personnel in our global subsidiaries as 'modern slavery compliance champions' in order to further align procedures between entities, and improve the reporting of key metrics relating to modern slavery.</p>
<p>Goal 2: Embed new Modern Slavery Policy</p>	<p>In FY24, we will roll out the Modern Slavery Policy developed in FY23, and provide training to employees to help implement it.</p>
<p>Goal 3: Further expand our training program</p>	<p>In FY24, we will continue our progressive roll out of modern slavery compliance training by extending eligibility for training in our overseas subsidiary entities. CAR Group board directors will also be provided with modern slavery awareness training.</p>
<p>Goal 4: Desktop exercise for managing modern slavery incidents</p>	<p>In F24, we will put our new Modern Slavery Policy to the test by conducting desktop modern slavery incident response scenarios.</p>
<p>Goal 5: Continue to positively engage with our suppliers</p>	<p>CAR Group will continue to engage with our suppliers around the world in FY24 to uplift modern slavery risk controls. This engagement may, for example, include educating smaller suppliers about the concept of modern slavery, reviewing the existing modern slavery arrangements of larger suppliers, or asking our suppliers to engage with their own supply chains.</p>

Part E

CONSULTATION PROCESS & APPROVAL

Consultation process and approval

Consultation process

This Statement was prepared in consultation with our Australian and international controlled entities, including:

- the CAR Group Board;
- our Board Risk Management Committee;
- relevant executive and senior leadership team members of controlled entities in Australia and overseas;
- relevant procurement personnel of controlled entities; and
- our Modern Slavery Working Group.

Approval

This Statement was approved by the CAR Group Ltd Board on 14 December 2023.



Cameron McIntyre
Chief Executive Officer
CAR Group Ltd



Pat O'Sullivan
Non-Executive Chair
for and on behalf of the Board of CAR Group Ltd



For further information about CAR Group's corporate governance, policies and reports, please visit the CAR Group shareholder website at cargroup.com.

For questions regarding CAR Group's modern slavery arrangements, please contact modernslavery@carsales.com.au.

