



LSH AUTO

LSH Auto Australia

MODERN SLAVERY STATEMENT

2024



1. Introduction

This statement is made by LSH Auto (Sydney) Pty Ltd (ACN 604 103 915), LSH Auto (Brisbane) Pty Ltd (ACN 606 816 497) and LSH Auto (Melbourne) Pty Ltd (ACN 618 554 635) (**LSH Auto Australia, we, us, our**) and describes the risks of modern slavery in our operations and supply chains and the steps we took during the year ending 31 December 2024 (**Reporting Period**) to minimise those risks.

2. Our Structure, Operations and Supply Chains

LSH Auto Australia is the Australian subsidiary of LSH Auto Holdings, one of the world's largest dealer groups for Mercedes-Benz cars and vans. Our businesses specialise in the sale of luxury motor vehicles, vehicle servicing and repairs, parts retailing and wholesaling and collision repair.

Reporting Entity	Trading Name	Address
LSH Auto (Sydney) Pty Ltd	Mercedes-Benz Sydney	43-47 O'Riordan Street, Alexandria NSW
LSH Auto (Brisbane) Pty Ltd	Mercedes-Benz Brisbane	194 Breakfast Creek Road, Brisbane QLD
LSH Auto (Melbourne) Pty Ltd	Mercedes-Benz Melbourne	135 Kings Way, South Melbourne VIC

LSH Auto (Melbourne) Pty Ltd wholly owns LSH Auto (Sydney) Pty Ltd and LSH Auto (Brisbane) Pty Ltd. LSH Auto (Melbourne) Pty Ltd does not own any other entities apart from these two subsidiaries. Furthermore, the Brisbane and Melbourne subsidiaries do not own or control any other entities.

During the Reporting Period, we employed approximately 460 employees and operated 10 business units across New South Wales, Queensland and Victoria. Our employees across all three locations performed the following types of roles:

Executives (Head Office)	Dealer Principal
Department Managers	Sales Executives
Business Managers	Administrative Support
Mechanical Technicians	Parts Personnel
Service Advisors	Service & Sales Support

The supply chains supporting all three entities are similar and include the following categories of goods and services: authorised vehicles and parts provided by Mercedes-Benz Group, consumables such as oil, fuel, paint and lubricants, logistics and transport services, car washing and detailing services, sublet, recruitment services, marketing and printing services, corporate merchandise, building maintenance and repairs, cleaning, storage and waste disposal services, professional services, finance products, insurance, property rental and vehicle storage, information technology hardware and software, telecommunication products and services, coffee, food and beverage, gift hampers and office supplies. With the exception of vehicles and parts, the majority of our direct suppliers are based in Australia.

OEM supply chain

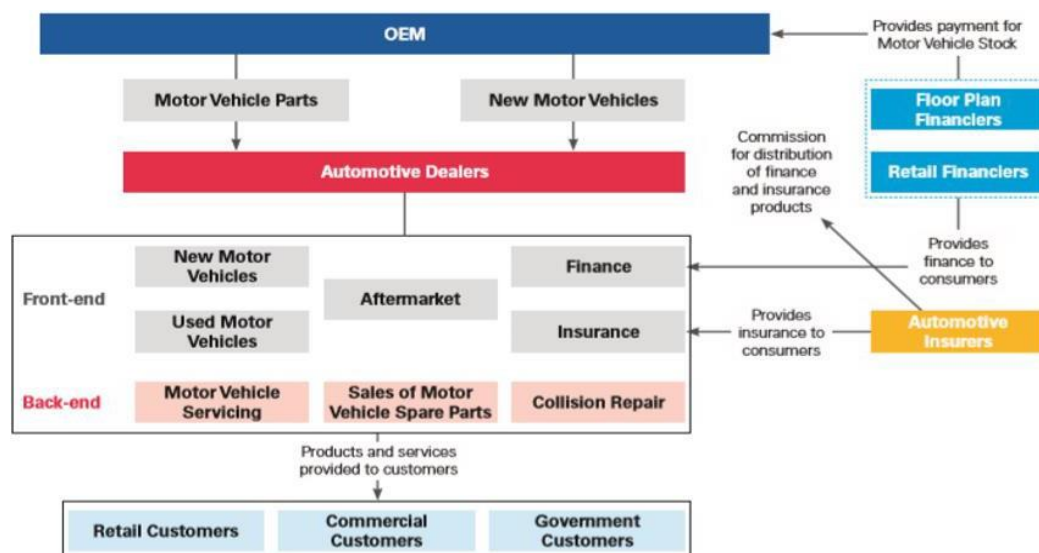
As all new¹ vehicles and parts are sourced from the Mercedes-Benz Group. We have relied on the description of their supply chain as contained in the 2024 calendar year modern slavery statement of Mercedes-Benz Australia/Pacific Pty Ltd (**MBAuP**) which states that component parts and vehicles are sourced from production facilities in 22 countries, including, but not limited to:

- Mercedes-Benz Germany (Affalterbach, Berlin, Bremen, Hamburg, Kamenz, Köllda and Arnstadt, Rastatt, Sindelfingen and Stuttgart plants)
- Beijing Benz Automotive Co., Ltd
- Mercedes-Benz Tuscaloosa
- Mercedes-Benz East London
- Mercedes-Benz Mexico International
- Mercedes-Benz Romania (Sebes and Cugir Plants)
- Mercedes-Benz Austria (Eugendorf)
- Mercedes-Benz Hungary (Kecskemét); and
- Mercedes-Benz Poland (Jawor).

According to the supply chain website of Mercedes-Benz Group², their vehicles generally contain several thousand parts and components. Mercedes-Benz Group's supply chain comprises approximately 40,000 direct suppliers which are mainly based in Europe, North America, and Asia. These in turn have sub-suppliers. Sometimes one supply chain has up to seven or eight sub-levels. At one stage, there can be up to 20 sub-suppliers.

3. Overview of the Australian Automotive Dealership Industry

By way of background, the diagram below depicts the business model supporting our operations as an automotive dealership in Australia.



As noted above, in our business, Mercedes-Benz Group is the OEM that supplies us with new motor vehicles and parts. During the Reporting Period, LSH Auto Australia's

¹ LSH Auto Advantage is LSH Auto Australia's pre-owned vehicle program which offers vehicles other than Mercedes-Benz.

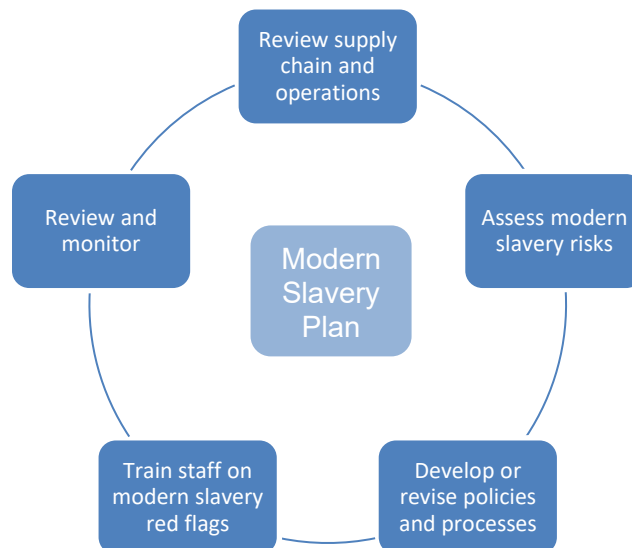
² <https://group.mercedes-benz.com/sustainability/human-rights/supply-chains/>

overall procurement spend to bring in new vehicles and parts equated to approximately \$64,754,162 for new vehicles and \$27,431,833 for parts. The reduction in these figures from our previous modern slavery statements reflects the OEM's move to the agency model which means the vehicles are owned by the OEM and not purchased by the dealerships

4. Governance

LSH Auto Australia's Modern Slavery Plan continues to be overseen by the Compliance Committee, reporting to the Executive Committee. As noted in our previous statements, the core stakeholders in the Compliance Committee with responsibility for the maintenance and implementation of the Modern Slavery Plan include LSH Auto Australia's Compliance Officer and the Head of Human Resources. These stakeholders have oversight across all three reporting entities.

The Compliance Committee continues to provide updates to the Executive Committee, comprising the Managing Director, Chief Financial Officer, all Heads and the regional Dealer Principals on the implementation of the Modern Slavery Plan.



5. Actions taken in 2024 to assess and address modern slavery risks

Our Modern Slavery Policy and Supplier Code of Conduct continued to be in place during the Reporting Period. The Modern Slavery Policy sets out our commitment to:

- source goods and services in accordance with our legal obligations while working with suppliers and other external parties to assess, mitigate and manage modern slavery risks; and
- conduct business in a way that reduces the likelihood of LSH Auto Australia causing or contributing to modern slavery in our operations and supply chains.

The Supplier Code of Conduct is based on the standards of the International Labor Organization (ILO), especially the ILO Declaration on Fundamental Principles and Rights at Work. It sets out the minimum expectations of suppliers providing goods and/or services to us, including requirements related to:

- freedom of association of collective bargaining



- modern slavery, human trafficking and child labour
- workplace health and safety
- compensation and working hours

Due diligence

As the major component of our supply chain, we continue to rely on the due diligence measures and governance framework implemented by the Mercedes-Benz Group to assess and address the modern slavery risks within their global supply chains. To better understand the actions being taken by the OEM we stock, we reviewed the modern slavery statement published by MBAuP in June 2024.

MBAuP's 2024 modern slavery statement outlined that, as part of Mercedes-Benz Group's general risk assessment, 24 critical raw materials that are critical to vehicle production presented potentially higher risks of modern slavery and required a more in-depth risk analysis.³ The statement notes that they have completed 57% of the review, and the full human rights assessment is intended to be completed by 2028, in line with target completion. In 2024, the Mercedes-Benz Group AG published its 2024 Raw Materials Report (**Raw Material Report 2024**),⁴ which contains an overview of its activities and efforts related to 17 of the 24 critical raw materials.

Remediation

We recognise that grievance mechanisms are the cornerstone to remediation. They provide a procedure through which a grievance can be raised by affected workers, assessed, investigated and remediated.

Our Supplier Code of Conduct encourages everyone to speak up and report any concerns relating to modern slavery in our operations or supply chains. LSH Auto Australia's Whistleblowing Policy is accessible online.⁵ A report can be made pursuant to this Policy if someone suspects that an LSH Auto Australia director, officer, employee, contractor, supplier, tenderer or other person who has business dealings with LSH Auto Australia has engaged in conduct involving modern slavery within our business or supply chains. Modern slavery is specified as one of the categories that fall within reportable conduct. The Policy also sets out the protections in place for whistleblowers and the process for investigation of reportable conduct.

Although we have not received any reports to date in relation to modern slavery via our whistleblowing channels, we continue to collect data on the use of the grievance mechanism (including the number of claims filed, addressed and resolved).

At LSH Auto Australia, Human Resources is responsible for the handling of complaints or suspected instances of modern slavery. We recognise that there is no one size fits all approach to remediation in respect of modern slavery as each matter will be unique and should be handled in a way that is proportionate to the harm and puts the victim first.

³ Mercedes-Benz Australia/Pacific Modern Slavery Statement, 30 June 2024.

⁴ 2024 Raw Material Report: <https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf>

⁵ https://ishau.zendesk.com/hc/en-us/article_attachments/4889667411983/LSH_Auto_Whistleblower_Policy_-_AUA.2020.0508_V4.pdf



6. Potential Risks of Modern Slavery in our Operations and Supply Chains

As our business structure and operations remains largely unchanged from year to year, the description of modern slavery risks in our previous modern slavery statements remain current and applicable to the Reporting Period.

Recapping on our initial risk assessment of our industry, country of operation and the policies and procedures we have in place in respect of our workforce, the risk of having caused or contributed to modern slavery in our operations remains low. For example, in terms of our recruitment processes, all staff are screened prior to employment for their right to work in Australia and proof of age.

During the Reporting Period, 16 workers under the age of 18 were employed as apprentices via our 2.5 years apprenticeship program called the LSH Auto Australia Advance Accelerated Apprenticeship. The program was launched in March 2023 with the first intake of 12 apprentices. The program is in partnership with Melbourne's Kangan Institute and WPC Group and is designed to nurture future talent and increase staff retention. The employment of young workers may give rise to concerns of child labour within the definition of modern slavery, however, the regulatory guardrails on the apprenticeship program means that the safety and wellbeing of our young workers are protected. Accordingly, we do not consider that our employment of these young workers creates a risk of modern slavery.

Mercedes-Benz Group, as the sole supplier of the vehicles and automotive parts sold to our customers, forms a major part of our supply chain. As noted above the Mercedes-Benz Group, has identified 24 raw materials that are essential to vehicle production and have potential modern slavery risks. These higher risk raw materials identified by the Mercedes-Benz Group are outlined in the table below:⁶

Aluminium	Chromium	Cobalt	Copper
Graphite	Iron	Leather	Lithium
Magnesium	Manganese	Mica	Molybdenum
Nickel	Niobium	Palladium	Platinum
Rare Earth Elements	Rhodium	Rubber	Silica sand & Silicon
Tantalum	Tin	Tungsten	Zinc

These critical raw materials are assessed across nine human rights salient risk areas. The assessment includes analysing systemic risks related to raw material extraction, using data from Mercedes-Benz's Raw Material Outlook and screening for incidents within their supply chain.

Apart from the supply chain of the OEM, there remains the potential modern slavery, including forced labour and debt bondage risks in the supply chains of our direct suppliers providing the following categories of goods or services based on the inherent risks linked to their sector:

- Manufacturing
- Retail Trade (Fuel Retailing)
- Corporate merchandise and office supplies

⁶ Mercedes-Benz Australia/Pacific Modern Slavery Statement, 30 June 2024.



- Food and beverage
- IT hardware
- Repair and Maintenance
- Outsourced services such as cleaning and detailing

7. Assessing the effectiveness of our actions

We remain committed to maturing our understanding of our human rights impacts and using our leverage to make a difference. During the Reporting Period, we continued our efforts in laying the foundations of a modern slavery framework to enable us to operationalise modern slavery considerations in the way we conduct our business.

Over the coming reporting periods, we will seek to ensure that our Modern Slavery Policy and Supplier Code of Conduct are well understood and implemented within the business and continue developing a modern slavery risk assessment methodology for use in making procurement decisions.

8. Consultation and Approval

The stakeholders with management of the Modern Slavery Plan continue to have oversight and hold responsibilities across all three reporting entities. Accordingly, the reporting entities were consulted in preparation of this Modern Slavery Statement.

Our 2024 Modern Slavery Statement was approved by the Directors and Executive Committee of LSH Auto Australia, the principal governing body of the reporting entities, and signed by John Good in his capacity as a responsible member of the principal governing body on 1st August 2025.

John Good
Managing Director
LSH Auto Australia
1st August 2025

**Modern Slavery Act 2018 (Cth) – Statement Annexure**

Mandatory criteria	Page number/s
1. Identify the reporting entity.	2
2. Describe the reporting entity's structure, operations and supply chains	2 & 3
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity	6 & 7
4. Describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes.	4 & 5
5. Describe how the reporting entity assesses the effectiveness of these actions	7
6. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls	8