



Peter Warren
Automotive
Holdings

MODERN SLAVERY ACT STATEMENT 2020

PETER WARREN AUTOMOTIVE HOLDINGS ONE PTY LTD

This Modern Slavery Statement, is made pursuant to the Modern Slavery Act 2018 (Cth), and sets out the actions taken by PWA Holdings One Pty Ltd and our subsidiaries (together, “us”, “we” or “our”) to assess and address modern slavery risks in our operations and supply chain for the financial year ended 30 June 2020 (“Reporting Period”).

We are committed to ethical business practices and to respecting human rights across our operations and our supply chain. As a collective Motor Vehicle Dealership Group employing approximately 1,650 staff, we have an important role in fostering ethical business conduct, that help to address modern slavery risks and protect human rights.

Our corporate values are G.I.F.T as set out below which aligns well with the commitments espoused in this Statement.



We are pleased to submit our first Modern Slavery Statement to the Australian Border Force and to provide insight into our journey to better understand our modern slavery risks and the actions we have taken. Businesses in Australia, irrespective of size or sector, can contribute to the global efforts to eradicate modern slavery and we are seeing that our customers, employees and business partners are placing greater value on this common good. Our aim is to do better year on year in meeting these expectations and to do so with greater transparency.

Peter Warren Automotive Pty Ltd (ABN 67 000 293 621 MD5411), is a private Company registered in Australia, wholly owned by PWA Holdings One Pty Ltd (ABN 57 615 674 185). We are based in South West Sydney, with our head office located at 13 Hume Highway, Warwick Farm NSW 2170.

James Frizelle's Automotive Group Pty Ltd (ABN 47 010 210 723 MD1005697) is a private company registered in Australia, wholly owned by PWA Holdings One Pty Ltd (ABN 57 615 674 185). We are based in South East Queensland and Northern New South Wales, with our head office located at 13 Hume Highway, Warwick Farm NSW 2170.

Robina Mazda Pty Ltd (ABN 63 619 411 040 MD4122333) is a private company registered in Australia, wholly owned by PWA Holdings One Pty Ltd (ABN 57 615 674 185). We are based in South East Queensland, with our head office located at 13 Hume Highway, Warwick Farm NSW 2170.

Southport Mazda Pty Ltd (ABN 64 619 389 767 MD4122300) is a private company registered in Australia, wholly owned by PWA Holdings One Pty Ltd (ABN 57 615 674 185). We are based in South East Queensland, with our head office located at 13 Hume Highway, Warwick Farm NSW 2170.

Lismore Mazda Pty Ltd (ABM 47 010 210 723 MD065579) is a private company registered in Australia, wholly owned by PWA Holdings One Pty Ltd (ABN 57 615 674 185). We are based in Northern New South Wales with our head office located at 13 Hume Highway, Warwick Farm NSW 2170.

North Shore Automotive Pty Ltd (ABN 83 601 789 708 MD053820) is a private company registered in Australia, wholly owned by PWA Holdings One Pty Ltd (ABN 57 615 674 185). We are based in Sydney's North Shore, with our head office located at 13 Hume Highway, Warwick Farm NSW 2170.

Sydney North Shore Pty Ltd (ABN 26 611 759 758 MD059639) is a private company registered in Australia, wholly owned by PWA Holdings One Pty Ltd (ABN 57 615 674 185). We are based in Sydney's North Shore, with our head office located at 13 Hume Highway, Warwick Farm NSW 2170.

Our operations are entirely based in Australia, in the Sydney region, South Eastern Queensland region and Northern New South Wales.

Figure 2.1: Our Presence in the Sydney Region

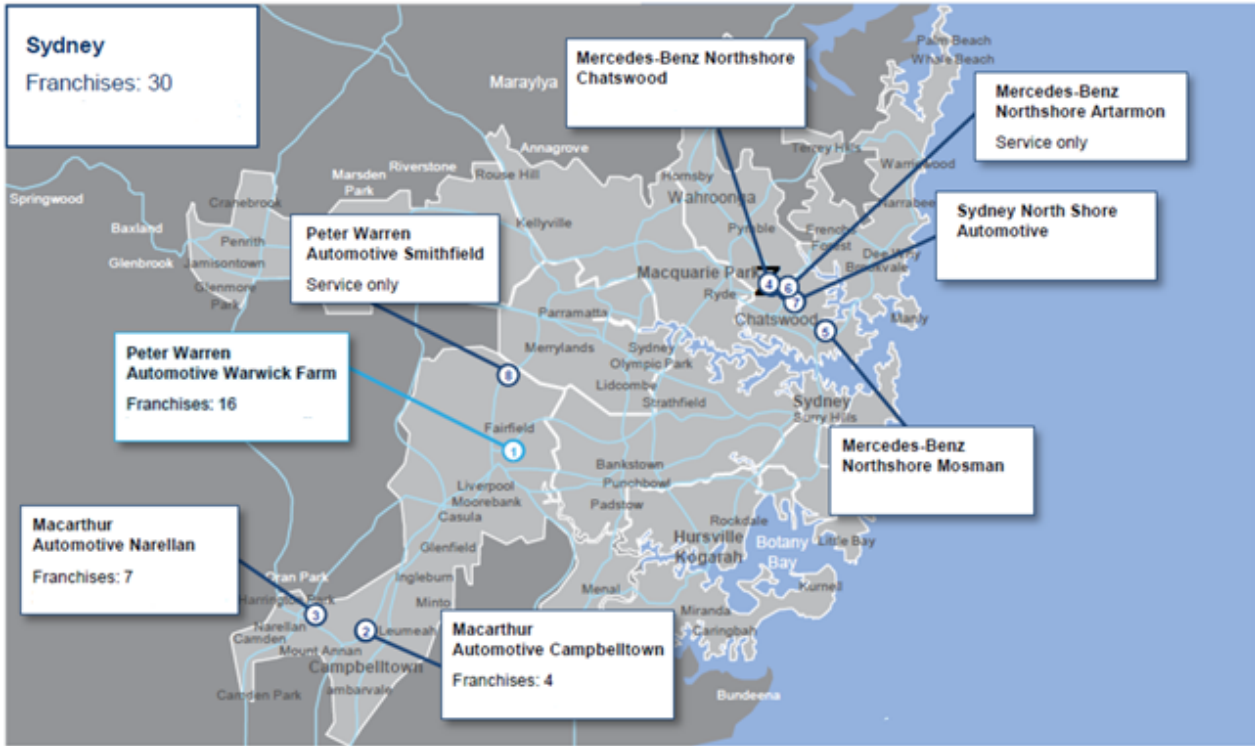
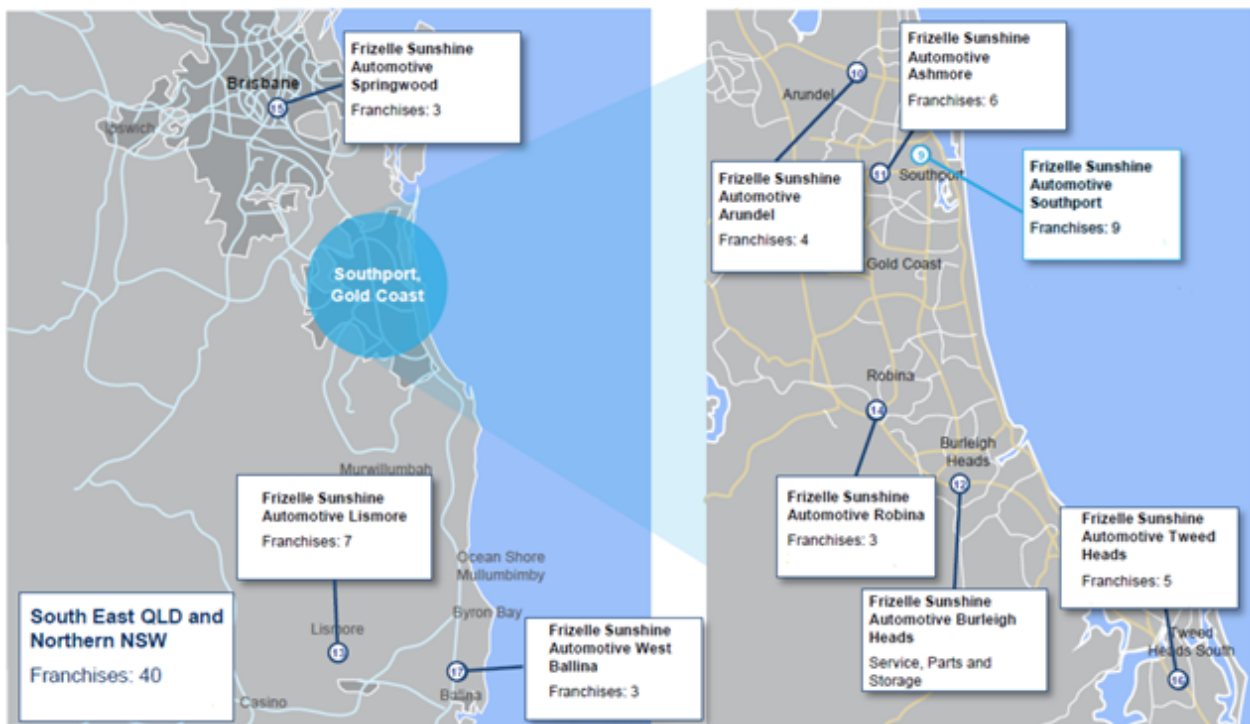


Figure 2.2: Our presence in South East Queensland and Northern New South Wales



Our primary operations are running of automotive dealerships. We operate integrated New and Used Vehicle retailing businesses providing a full range of Sales and Support including, Aftermarket products, Parts and Accessories, Service and Finance and Insurance, to retail and wholesale customers. We have an extensive list of long-term customers who have purchased multiple vehicles from us over a long period of time.

Figure 2.2: Our Customer Life Cycle can be represented as:



We represent 27 Original Equipment Manufacturers (OEM) brands across the Volume, Prestige and Luxury Segments as shown in figure 2.4.

Figure 2.4: OEM Representation

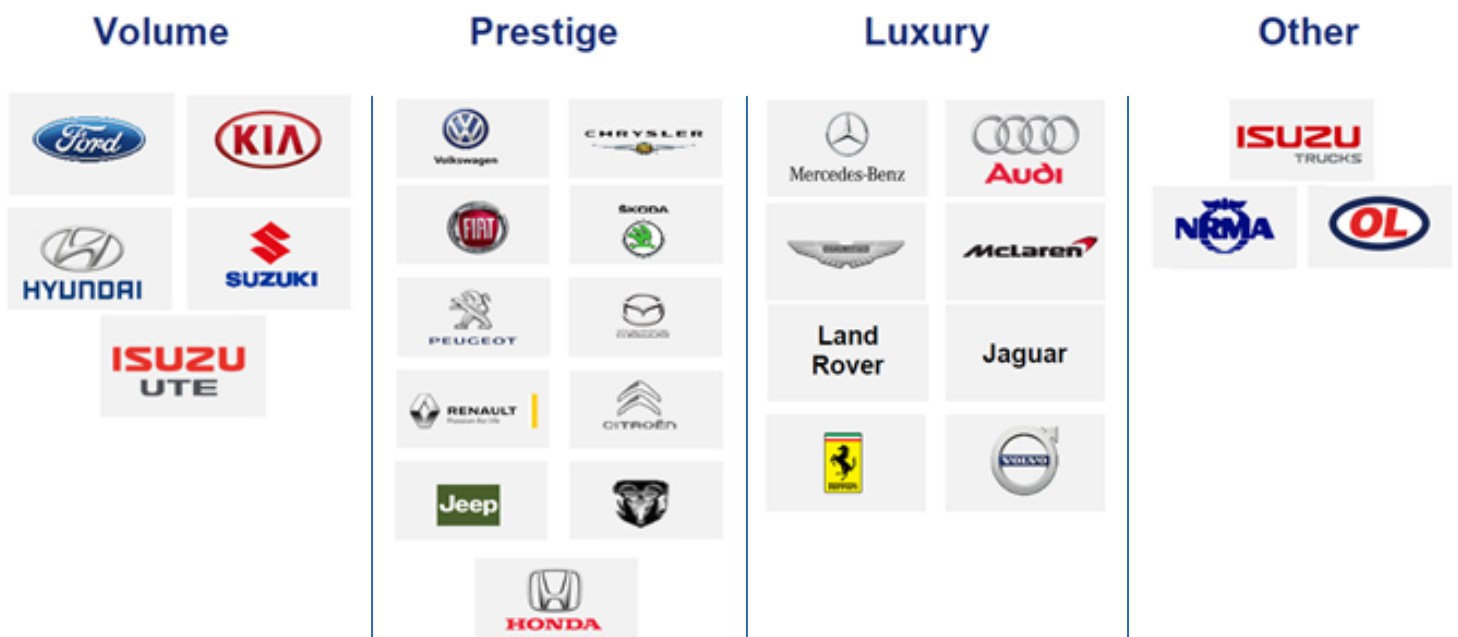
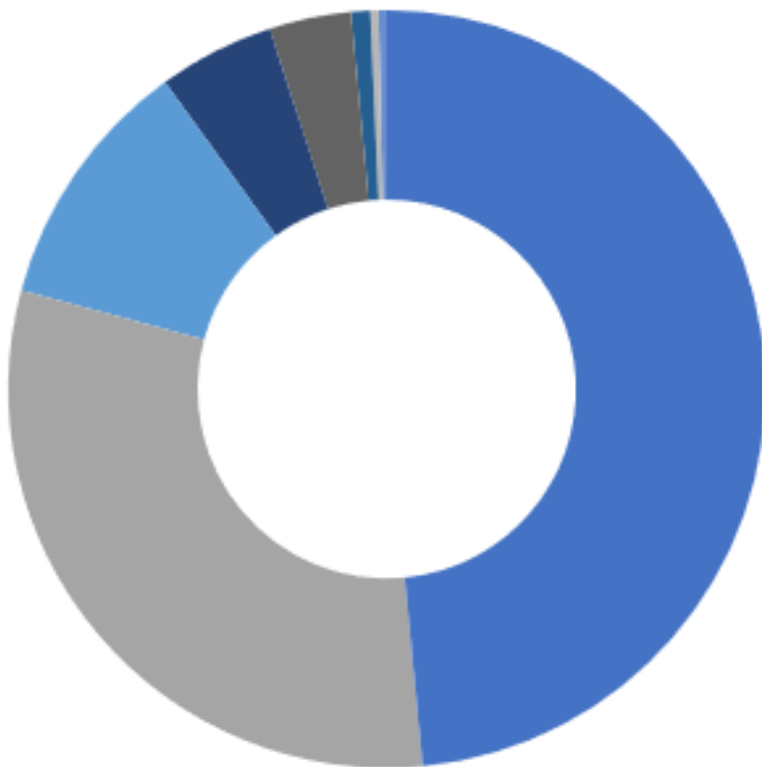


Figure 2.5: Product Offerings

OFFERING	DESCRIPTION
New Vehicles	<ul style="list-style-type: none"> • The sale of new vehicles • Peter Warren retails 27 OEM brands across 17 sites
Used Vehicles	<ul style="list-style-type: none"> • The sale of used vehicles
Aftermarket	<ul style="list-style-type: none"> • Aftermarket products are the non-OEM products for sale by automotive dealers • Aftermarket products include window tinting, tyre and wheel protection, extended warranties, roof racks, tow bars and other accessories generally available at point of sale
Parts and Accessories	<ul style="list-style-type: none"> • Sale of parts and accessories for new and used vehicles • Provision of parts to Peter Warren's service workshops • Provision of parts to third party collision repair and servicing outlets • Provision of parts to other dealerships
Service	<ul style="list-style-type: none"> • Ongoing vehicle maintenance • OEM warranty repairs • Internal reconditioning of used vehicles for sale
Finance and Insurance	<ul style="list-style-type: none"> • Sale of third-party finance and insurance products to customers

Our workforce consists of approximately 1,650 direct employees across 8 broad sections of our business as shown in figure 2.6.

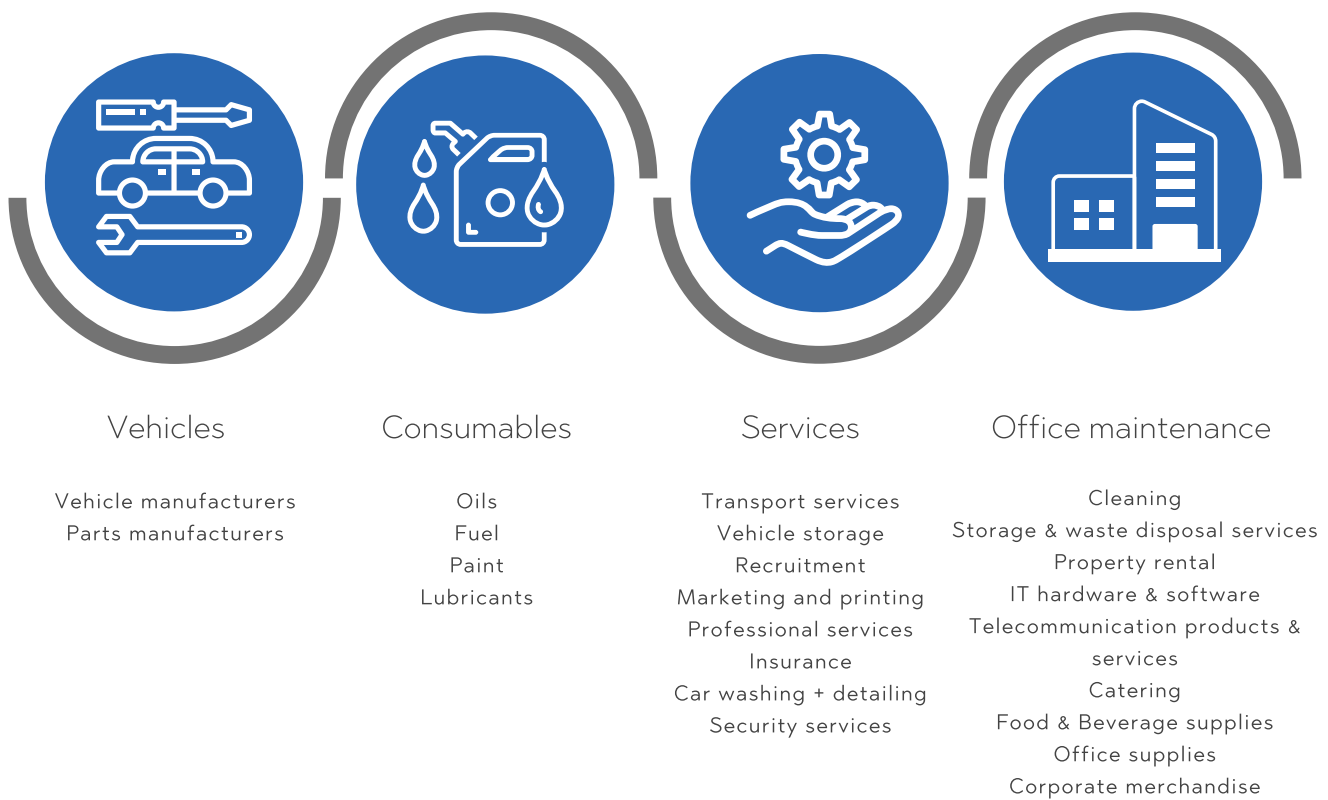
Figure 2.6: Direct Workers



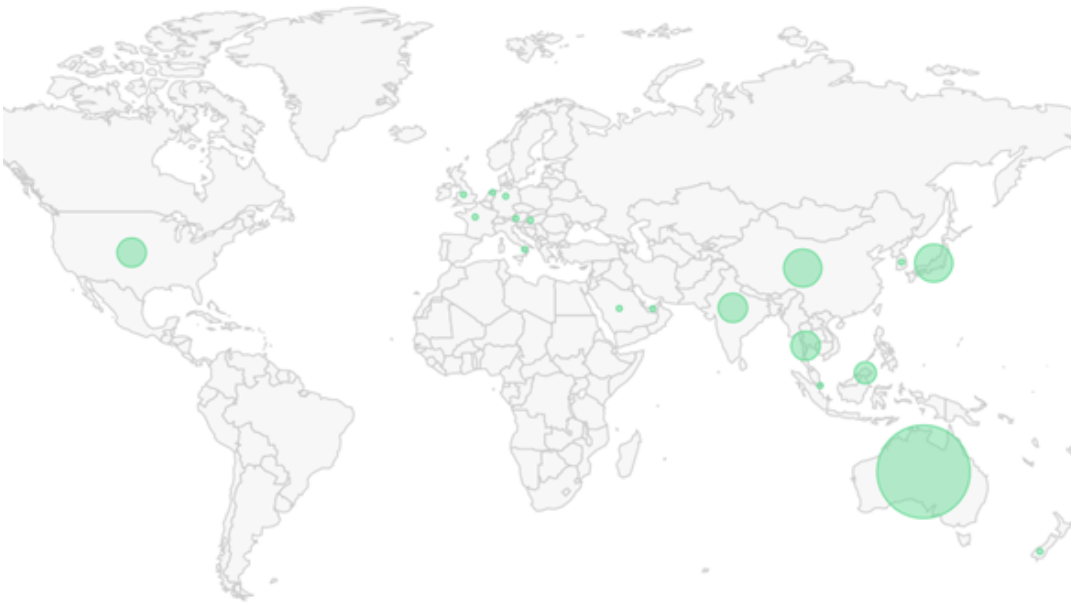
- Service
- Vehicle Sales
- Parts
- Administration
- Pre Delivery
- IT
- Human Resources
- Marketing



An overview of our supply chain is depicted in the diagram below:



Based on the information gathered during the modern slavery questionnaire, the geographic footprint of a subset of our FY20 suppliers is shown below:



3. MODERN SLAVERY RISKS IN OPERATIONS AND SUPPLY CHAINS

In seeking to identify the modern slavery risks in our operations and supply chain, we considered the potential for our business to cause, contribute to, or be directly linked to modern slavery. Given the fact that our operations are based in Australia, our geographic risk was assessed as low. Furthermore, the risk of modern slavery in our direct employment of workers is also considered low having regard to the legal framework regulating employment practices in Australia.

Our most salient risks are present in our supply chain which includes a broad range of direct suppliers from various locations and industries, including those generally considered a higher risk for modern slavery by virtue of their sector risk. For example, it is widely reported that some vehicle manufacturers rely on their suppliers to source high risk products such as minerals and other raw materials from countries with an increased risk profile for child or forced labour in order to produce components fitted into vehicles.

The Corporate Human Rights Benchmark (CHRB) found that companies in the automotive sector in 2020 were on average the worst performing in the history of the CHRB benchmark.[1] None of the assessed companies scored above 50% on a benchmark based on a range of measurement themes and indicators as to a company's efforts to promote human rights, and half of the assessed companies scored below 10%. In particular, a number of companies scored a zero across all indicators under the themes of "Human rights due diligence", "Board-level accountability for human rights", and "Embedding respect for human rights in company management systems". The CHRB report found that a majority of automotive companies failed to demonstrate that they had mapped out direct and indirect suppliers in their supply chain or set appropriate contractual expectations with direct suppliers as to forced labour and child labour.

The Australian Strategic Policy Institute (ASPI) recently identified 82 foreign and Chinese companies, including vehicle manufacturers, potentially directly or indirectly benefiting from the use of Uyghur works through abusive labour transfer programs as recently as 2019.[2]

The CHRB and ASPI reports highlight the inherent difficulty we face in seeking to understand in more depth the modern slavery risks in our supply chain beyond the first tier.

[1] <https://www.worldbenchmarkingalliance.org/publication/chrb/>

[2] <https://www.aspi.org.au/report/uyghurs-sale>

3. MODERN SLAVERY RISKS IN OPERATIONS AND SUPPLY CHAINS

In addition to the automotive sector, our supply chain also includes suppliers operating in sectors generally considered higher risk for modern slavery, irrespective of geographic location, such as car washing and detailing, office cleaning, security and transport services. The risk profile of these sectors are heightened by the utilisation of unskilled workers on temporary visas with limited ability to negotiate their wages and rights in the workplace.

We are also cognisant of the modern slavery risks inherent in the supply chain behind the uniforms and corporate merchandise we purchase, the lithium in our laptops and smartphones, the food and beverages we serve on our premises and hospitality services we purchase.

Our first reporting period was the start of our journey into increasing our awareness of modern slavery risks in our operations and supply chain so that we can better inform our purchasing decisions going forward.

4. ACTIONS TAKEN TO ASSES AND ADDRESS MODERN SLAVERY RISKS

In line with the United Nations Guiding Principles on Business and Human Rights, we adopted a risk-based approach in assessing the human rights risks in our supply chain. In summary, we analysed our supplier list from the Reporting Period, sorted it by annualised spend and applied a set threshold for the purposes of issuing an online modern slavery questionnaire (MSQ) to a subset of our suppliers. In future reporting periods, we plan to lower the threshold in order to capture a wider sub-set of suppliers and to roll out the MSQ as part of new supplier onboarding.

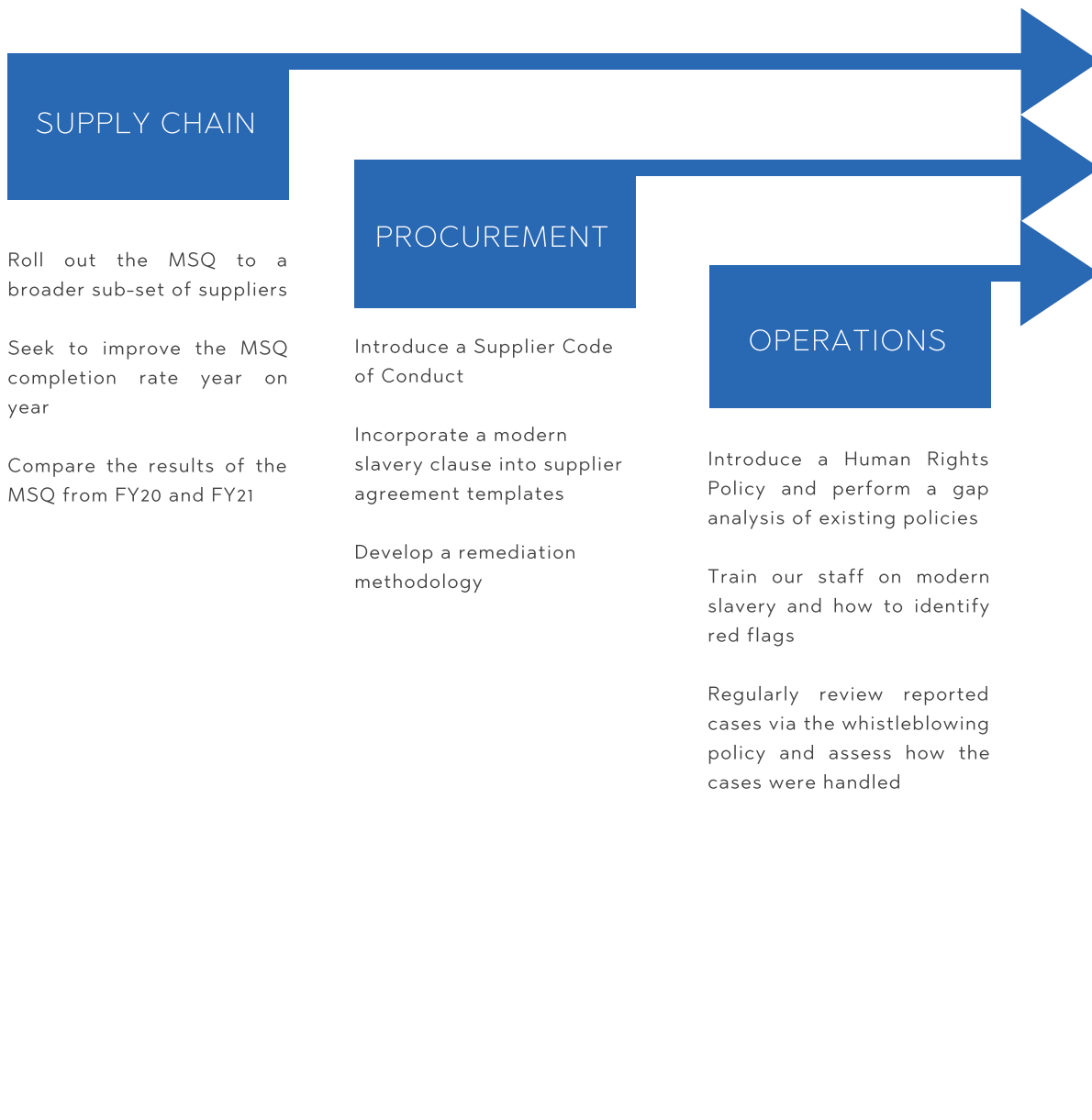
As noted previously, we understand that the risk of modern slavery may permeate via the second and subsequent tiers of our supply chain. The MSQ on the ethiXbase platform was selected for its ability to inquire about the supply chain of our suppliers.

The analytics underpinning the MSQ allocated a modern slavery risk rating to the suppliers on the basis of the answers given by the suppliers. The risk ratings were used to inform our supplier engagement process for the next reporting period based on the high, medium and low risk profiles allocated by the ethiXbase platform. The results of the MSQ enabled us to identify risk patterns and the suppliers requiring closer attention.

In relation to our operations, we are committed to ensuring that our employees are paid in line with market rates and we check that those we recruit are of legal working age and are choosing to work of their own free will. We do not tolerate discrimination or harassment and endeavour to sustain the health, safety and wellbeing of our employees and contractors.

Our Whistleblowing Policy provides a way for our employees to report their concerns confidentially, freely and without fear of repercussion. We did not receive any reports of actual or suspected instances of modern slavery via our reporting channels during the Reporting Period. If, hypothetically, it was found that our business had caused or contributed to modern slavery, we would seek to remediate the impact by taking a person centred approach protecting the safety and wellbeing of the affected person and then undertaking a full investigation of the situation to ensure that an appropriate corrective action plan is implemented. A remediation methodology is being further developed in FY21.

5. ASSESSING THE EFFECTIVENESS OF OUR ACTIONS



6. CONSULTATION AND APPROVAL

PWA Holdings One Pty Ltd and its subsidiaries adopted a collaborative approach in seeking to better understand the modern slavery risks in our operations and supply chain. Members of senior management were kept abreast of the framework established to assess and address these risks as well as in the preparation of this Statement.

This Statement was approved by the Board of PWA Holdings One Pty Ltd on 25th March 2021.

Signed,

A handwritten signature in black ink, appearing to read 'Paul Warren', with a horizontal line underneath it.

Paul Warren
Chief Executive Officer

25 March 2021