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MODERN
SLAVERY
STATEMENT

20
23

MODERN SLAVERY STATEMENT

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1 About this Statement

Introduction

Eagers Automotive Limited (ACN 009 680 013) is pleased to present this joint statement in conjunction with each of the reporting entities set out in Appendix B to this Statement (Eagers Automotive Group).

This Statement outlines the continued efforts and actions the Eagers Automotive Group has taken during the reporting period of 1 January 2023 to 31 December 2023 to identify, assess and address modern slavery risks in its business operations and supply chain.

Consultation

Eagers Automotive Group has an integrated operational and corporate governance framework incorporating key governance functions such as finance, legal, audit and risk management, as well as a shared executive management team. This Statement was prepared in consultation with relevant key stakeholders across the Group, including via the Modern Slavery Working Group which has multi-functional representation.

Approval

In accordance with the requirements of the Modern Slavery Act 2018 (Cth), this Statement was approved by the Eagers Automotive Limited Board on 21 May 2024 and is signed by the Board Chair and the Chief Executive Officer.



Tim Crommelin
Chairman



Keith Thornton
Chief Executive Officer

2 About Us

Our Structure, Operations and Supply Chain

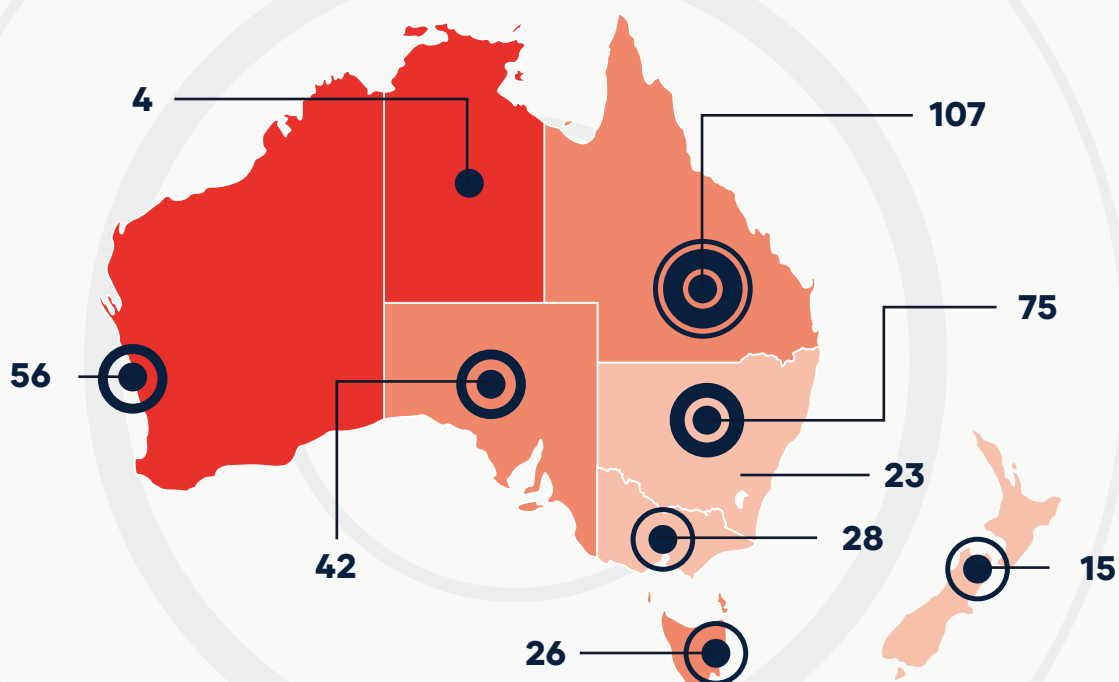
Our Structure

With a long and proud history over 110 years, Eagers Automotive Group is the largest automotive retail group in Australia, with operations in Auckland, New Zealand. The Group has a publicly listed parent company incorporated in Australia, with its corporate office located in Brisbane, Queensland.

During the reporting period the Eagers Automotive Group comprised approximately 155 wholly owned subsidiary entities, the majority incorporated in Australia, with the remaining incorporated in New Zealand. Our subsidiary entities undertake a range of functions and activities in support of Group operations, including the operation of over 350 vehicle dealerships and service centres.

Where We Operate

Eagers Automotive dealerships can be found in all States and Territories in Australia as well as in New Zealand.



Our Strategy and Values

Eagers Automotive Group activities, operations, actions and behaviours are underpinned by our corporate values and aligned to our corporate strategy, including our sustainability strategy.

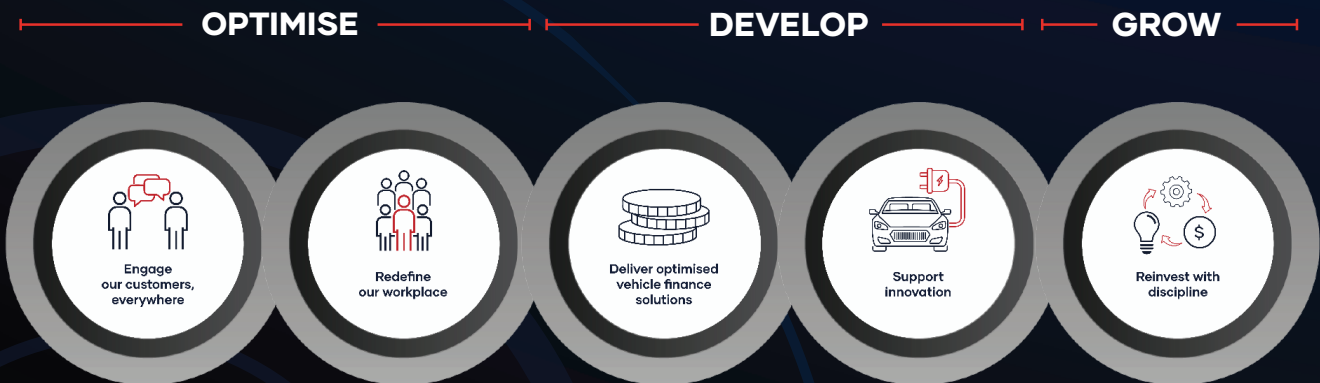
Our Values

Our company values express the standards and behaviours expected of all Eagers Automotive Group members.



Our Corporate Strategy

Providing integrated mobility solutions for the next 100 years.



Exceed Stakeholder Expectations
 Customers. Employees. Partners. Shareholders. Community.

Our Sustainability Strategy

▮▮ Sustainable Together

Our sustainability vision is to be the most admired automotive retailer by delivering sustainable growth through the optimisation of our operations, our people and our environment. ▮▮



People

To attract and retain the best people, deliver superior customer service on a balanced and productive cost base and support sustainable communities through our dealerships and the Eagers Automotive Foundation.

Planet

To reduce our impact on, and where practicable enhance the environment through operational optimisation and collaborative partnerships.

Performance

To build a resilient business that can withstand and adapt through market cycles as well as grow and thrive in the face of change and disruption.

Our sustainability strategy highlights the following five United Nations Sustainable Development Goals (UN SDGs) as reflecting the areas we believe the Group is best placed to contribute and align:



Two of these UN SDG goals seek to address and eliminate modern slavery practices.



UN SDG 5 - Gender Equality aims to end discrimination, violence and exploitation of women and girls, and encourages the adoption and strengthening of policies and legislation that promote gender equality and the empowerment of women and girls.



UN SDG 8 – Decent Work and Economic Growth aims to protect labour rights and promote safe and secure working environments for all workers, including migrant workers and those in precarious employment. This goal also encourages companies to take effective measures to eradicate modern slavery practices.

Operations

Our People

During the reporting period the Eagers Automotive Group employed 7,577 people - 7,200 in Australia and 377 in New Zealand.¹ The majority of employment engagements at dealership level are direct engagements. The Group sources temporary labour on an as needs basis from both labour hire and outsourced recruitment agencies, including the recruitment of foreign workers in technical trades. Recruitment agencies also provide ongoing assistance with sourcing talent for permanent and contract professional placements.

7,200

people in Australia

377

people in New Zealand¹



Our Operations

The Group's core operations consist of the ownership and operation of automotive retail dealerships and service centres across Australia and New Zealand with locations in every Australian capital city as well as regional Queensland, the Newcastle/ Hunter Valley region of New South Wales, broader Tasmania and Auckland, New Zealand. The Eagers Automotive Group represented over 40 automotive brands (new car sales) during the reporting period.

As well as the sale of new and used vehicles, our principal activities consist of the distribution and sale of parts, accessories and car care products, repair and servicing of vehicles, provision of extended warranties, facilitation of vehicle finance, property ownership and investments.

Supply Chain

The Group's operations are further supported through key partnerships with third parties, including with OEMs, financiers and landlords. Our 400 largest suppliers by dollar value (including OEMs) make up approximately 68% of the Group's total procurement spend, and are largely suppliers through which the Group has stable, long-term supply arrangements.

The procurement of ancillary services is largely site based, occurring through corporate offices and individual dealerships and service centres, with no centralised procurement function. During 2023 the Group had approximately 15,500 suppliers providing goods and services at locations across the Group.

A small number of regional and Group-wide procurement activities are in place for products and services such as after-sales products, parts and tyres.

Eager Automotive Group's supply chain includes:

- Manufacture and assembly of vehicles and parts (predominantly in offshore locations)
- Importation of vehicles and parts
- Local transportation contractors of vehicles and parts to dealerships and service centres, and
- Local contracts for services (for example, labour hire, security, vehicle detailing, cleaning, construction and repair services).

Our largest categories of supply chain expenditure are:

- Vehicles (new and used)
- Vehicle parts
- Outside services (such as cleaning, property maintenance and security)

Other expenditure includes:

- Consumables (vehicle related – fuel, oil, paint, lubricants)
- Vehicle services (transport, storage, car washing and detailing)

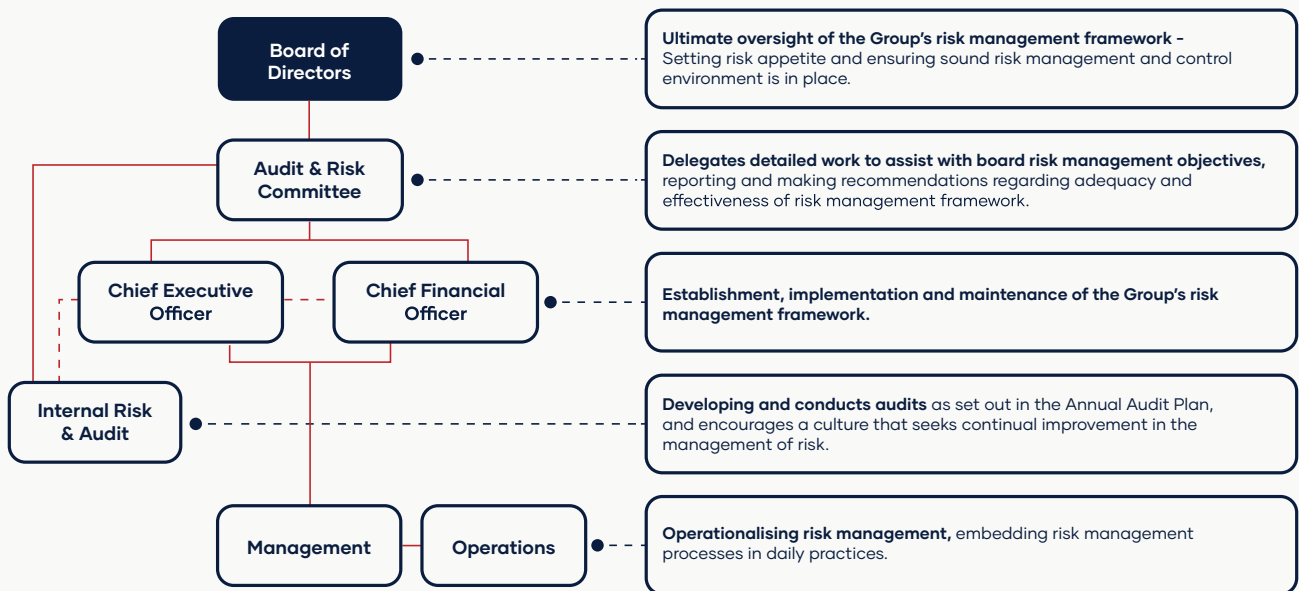


3 Risks of Modern Slavery in Operations and Supply Chains

Our Approach

We acknowledge that modern slavery risks have the potential to expose businesses on multiple fronts – legal risks around regulatory reporting and human rights offences, reputational damage, investor scrutiny of social credentials, and erosion of employee trust and value alignment.

The below diagram sets out the roles and responsibilities of key risk functions within the Group.



Our risk management framework provides the tools to identify and report on key risks, including sustainability related risks. When identifying risks, changes in external and internal context and indicators of emerging risks are considered. The risk analysis examines consequences and likelihood to determine a risk rating that supports the priority of actions for managing risks. The risk matrix provides parameters for risk analysis to ensure a consistent approach across the Group.





Following assessment, risk management plans and controls for individual risks are developed and implemented by management. Risks are assessed on a bi-annual basis.

The Group's risk management and corporate governance frameworks are supported by a suite of accompanying policies, documents and practices which are subject to ELT and/or Board approval or oversight, a number of which relate to modern slavery protections.

These include:

- Anti-bribery and Corruption Policy
- Code of Conduct
- Complaints Management Policy and processes
- Corporate Governance Statement
- Diversity, Equity and Inclusion Policy
- Employee Handbook
- Whistleblower Policy
- WHSE Policy and procedures
- Risk Management Policy

Further, Eagers Automotive Group's internal Modern Slavery Working Group comprises key stakeholders across relevant departments (including Legal, Internal Audit and Risk, IT, Operational Finance, Fixed Operations and Human Resources) who oversee the implementation of the Group's modern slavery commitments.

The Group's Sustainability Steering Committee is also cross functional and comprised of senior leaders and subject matter experts tasked with identifying sustainability initiatives (including in relation to modern slavery) that support the Group's sustainability strategy and goals and driving performance of these activities.



Identifying Risks in Operations and Supply Chains

We continue to consider how our operations and supply chains might cause, contribute to, or be directly linked to modern slavery.

Eagers Automotive Group's operations are based wholly within Australia and New Zealand, which, according to Walk Free Foundation's Global Slavery Index (Global Slavery Index) country study, are low risk geographical regions due to the existence of robust human right statutory protections and regulatory oversight. The Group had two enterprise agreements covering relevant employees during the reporting period and is committed to bargaining in good faith in line with its obligations under the Fair Work Act 2009 (Cth).

As such, combined with our approach to corporate governance, risk management and regulatory compliance, particularly where it relates to the safety and wellbeing of our employees, we believe our risk of causing modern slavery through our operations is very low.

We acknowledge, however, that there may be risks the Group may be linked to modern slavery practices through inherent risks associated with our global supply chains. The most significant supply arrangements of the Eagers Automotive Group are the purchase of new vehicles and parts from our OEM partners.

We have identified the following potential areas of risk within our operations and supply chain, as a result of the industry in which we operate, the services we outsource, and the source of raw materials used in the products supplied to us:



Labour Hire and Migration Services

The Global Slavery Index identifies the recruitment of migrant workers, especially those working in base-skilled, informal or seasonal sectors, as an area vulnerable to modern slavery practices such as debt bondage.

We acknowledge that our use of migration services and third-party labour hire companies to source workers and conduct 'right to work' checks increase our modern slavery risk by reducing the visibility we have over these kinds of recruitment practices. Please see section 4 – Actions taken to assess and address modern slavery risks, for more information.



Manufacturing

The manufacturing sector is vulnerable to modern slavery, accounting for nearly one-fifth of all forced labour exploitations of adults.² This is because a large proportion of manufacturing is outsourced, often internationally to geographic locations with higher instances of modern slavery practices and human rights abuses.

The human rights policies and modern slavery statements of our OEM partners include more information on their respective approaches to human rights and modern slavery risks, and the controls and mitigations implemented for the automotive manufacturing sector.



Raw Materials

Similar statistics and modern slavery risks apply to the extraction and production of raw materials used in the manufacturing process.³ Like many companies, raw material procurement is unlikely to take place from our direct, tier one suppliers, but may occur further down our supply chain, reducing our visibility over raw materials extraction and manufacturing practices.

For example, the demand for certain raw ingredients used in the manufacture of renewable energy technology has rapidly increased leading to changes in long-term business strategies as resources companies seek to meet this demand. In some cases, resource scarcity and grade decline mean that miners are increasingly operating in high-risk jurisdictions and expenditure on exploration in remote or challenging geographies has increased.⁴

Relevantly, the automotive industry's move to electric and other lower emission vehicles has resulted in a significant increase in the need for cobalt, an essential component of most lithium-ion batteries. The mining of cobalt has been linked to modern slavery practices because more than half of the world's supply of cobalt is mined in the Democratic Republic of Congo, known for its use of child labour, predominantly, and in dangerous conditions for minimal reward.⁵

Other known high-risk products which may be used by the Group, or incorporated into goods supplied to the Group by our supply chain partners include:

- ▶ mica (used in electronic devices, paint products, rubber tyres, clutches and brake pads and linked to illegal mines in India and Madagascar where child labour and debt bondage are widespread⁶),
- ▶ rubber (linked to child labour on rubber plantations, sub-standard working conditions through the manufacturing and collection of end-of-life tyres, and forced labour on ships used to transport tyres for distribution⁷),
- ▶ timber (linked to illegal logging using forced labour in countries such as Peru and Russia), and
- ▶ solar-grade polysilicon (a significant portion of the world's solar-grade polysilicon used in solar panel production comes from the Xinjiang region in China which is linked to forced labour involving Uyghur and Kazakh people).



Services

Almost one third (approximately 5.5 million people) of adult forced labour exploitation is in the services sector⁸ including building, cleaning, travel, hospitality, security and maintenance services, where there is an increased use of migrant and unskilled workers, and an increased risk of exploitative recruitment and employment practices.

Financial Services

The Group offers external financial products and services and recognises that supply chain risk in the financial services sector exists through suppliers' corporate and operational procurement (including IT procurement), logistics and property and building services (including maintenance).



Property and Construction Sector

The Group's operations involve the leasing, construction and refurbishment of dealerships, service centres and other business sites.

Construction and property sector risks arise from the use of materials often sourced from low-tier suppliers and deriving from high-risk countries; demand for base skill and inexpensive labour, subcontracting arrangements that reduce visibility of recruitment, and employment practices and unstable job security due to the project-based nature of the work.

Transportation and Logistics

As a retailer of automotive vehicles and parts, these products are transported to Australia (and New Zealand) by sea and to and between our dealerships, service centre and sites by road. Logistics and transport are also an area of high modern slavery risk, seen in the form of forcing contracts by threat or duress; forcing workers to work an unsafe amount of hours; and non-payment for work such as loading and waiting.⁹

4 Actions taken to Assess and Address Modern Slavery Risks

Governance

Our commitment to a culture of honesty and ethical behaviour is reflected in our adoption of "Integrity" as one of our four corporate values. Company expectations around ethical behaviours are promoted through a suite of Group-wide policies and procedures.

During 2023 the Group commenced roll out of its new Modern Slavery Policy and Modern Slavery Response Procedure, which sets out company expectations around modern slavery risk identification, mitigation and response, and establishes cross functional ownership and accountability for the management of modern slavery risk.

The Modern Slavery Policy is supported by an online modern slavery general awareness training module which provides an overview of what modern slavery is, geographic and industry risks, indicators of modern slavery, operational and supply chain risks at Eagers Automotive, and our commitment to addressing the harmful effects of modern slavery.

Our Code of Conduct was also updated in 2023, including to specifically address our commitment to protecting our people and those working within our supply chain against modern slavery practices. Our revised Code of Conduct will also be supported by online training which will be rolled out during 2024.

Due Diligence and Remediation

Due diligence underpins the Group's approach to the identification and management of modern slavery risks.

Corporate Governance and Risk Management

The Group's approach to risk management is set out in section 3 of this Statement and includes a Modern Slavery Working Group with multi-functional representation to monitor and assist delivery of the Group's modern slavery mitigation commitments.

Operations Due Diligence

The majority of the Group's employment engagements are direct engagements, with recruitment agencies providing ongoing assistance with sourcing talent for permanent and contract professional placements and undertaking relevant employment checks and other due diligence activities. Temporary labour is sourced on an 'as needs' basis from both labour hire and outsourced recruitment agencies.

During 2023 the engagement, design and development of a new online HR platform continued and roll out commenced from mid-2023. The HR platform, once implemented across all regions, will centralise the Group's recruitment, engagement and onboarding processes which will help to drive consistency and controlled practices and transparency in recruitment supply chain management.

The Eagers Automotive Group also reissued its independent and anonymous Employee Engagement Survey which enables feedback to be benchmarked against a portfolio of other automotive, transportation and logistics employers. Employee engagement surveys assist companies in measuring how motivated, involved and happy employees are with their work and the company, including workplace practices.

Our overall employee engagement rate increased by 4% on the Group's 2022 results. At 72%, Eagers Automotive is performing well above the benchmark of 64% for employers in the industry. The survey results highlighted that safety remains an area where we are highly engaged across the Group, with employees feeling that the company provides a safe workplace where they are comfortable to raise and report on important issues such as injuries and safety incidents, as well as concerns around bullying, discrimination and harassment. Employee favourability was also high in team leadership.

Supplier Due Diligence

Following a review of the effectiveness of our modern slavery supplier survey and processes, the Group identified and selected a third-party supplier due diligence solution (which includes supplier survey capability) for implementation in 2024. The deployment of this solution should enable a more efficient surveying process, more accurate risk assessments, give greater insights for internal and external reporting purposes, and enable more targeted modern slavery mitigative and response actions.

Responding to Risks and Remediation

Eagers Automotive Group is committed to responding to modern slavery risks across its business and supply chain. During the reporting period the Group finalised its Modern Slavery Response Procedure to guide the business in the event an alleged or actual incidence of modern slavery is identified.

Contractual Obligations and Remedies

During the reporting period and where appropriate, Eagers Automotive Group continued to consider risks of modern slavery in corporate contracting arrangements and Group wide procurement activity, which is generally higher volume and higher spend.

Foreign Recruitment Due Diligence

In 2023 we continued to roll out our newly established panel of preferred suppliers for the recruitment of foreign workers from vulnerable countries, having previously identified foreign recruitment as an area of risk for modern slavery practices, specifically debt bondage. These suppliers have been vetted by the Group and have agreed to uphold ethical engagement processes and comply with the Group's strict recruitment practices. The aim is to encourage and promote the use of legal and ethical recruitment practices more broadly by other foreign recruitment providers, as well as companies seeking foreign talent.



Reporting

The Group has a number of mechanisms through which employees, suppliers, customers and other third parties can report suspected or actual modern slavery issues. Employees can utilise the Group's internal complaints process or can raise concerns confidentially and anonymously through an independent, externally operated complaints platform which is promoted on our intranet, in our Employee Handbook and through posters displayed at sites. External parties can contact us through the Eagers Automotive website.

Eligible whistleblower disclosures can also be made in accordance with the Group's Whistleblower Policy, which was updated during the reporting period, with whistleblower management training rolled out to managers, and whistleblower awareness education provided to employees.

Awareness

Eagers Automotive Group continued to raise awareness of the Group's modern slavery risk profile, controls and mitigations through the roll out of its new Modern Slavery Policy and modern slavery general awareness online training module. The modern slavery training not only addresses modern slavery at a global level, but highlights modern slavery risks within Eagers Automotive and its supply chain, and contains knowledge checks to test awareness and understanding.

The Modern Slavery Policy and current Modern Slavery Statement are available on the Company intranet, as well as publicly on the Eagers Automotive website.

The Group's commitment to modern slavery mitigation is also addressed in its annual Sustainability Report, which is included in the Group's Annual Report, as well as in a standalone format. This report is also available publicly on the Eagers Automotive website.



5 Effectiveness of our Actions and Next Steps

Effectiveness of Actions

The cross-functional Modern Slavery Working Group provides the Group with an appropriate platform to share business insights on modern slavery issues, assign activities and accountabilities for modern slavery risk management, and discuss the progress, outcomes and effectiveness of actions being undertaken by the Group, in line with a continuous improvement approach.

The following activities assist the Group in assessing the effectiveness of its modern slavery risk mitigation actions:

1 The modern slavery supplier survey provides the Group with a greater understanding of the risk profile of its suppliers, with supplier completion rates monitored to measure supplier buy-in and survey effectiveness.

2 The Group's complaints and grievance mechanisms provide a range of reporting options, including the facilitation of confidential and anonymous reporting, and this, together with a positive speak-up culture, is an important element of the Group's modern slavery plan.

3 The Employee Engagement Survey provides a tool for gathering feedback from our employees on a broad range of work-related matters, including in respect of potential modern slavery issues.

4 The Group's online modern slavery general awareness training module and the monitoring of completion rates and knowledge test responses provides a mechanism for measuring the effectiveness of modern slavery awareness activities.

2023 Progress Against Commitments

In our 2022 Modern Slavery Statement we planned to undertake the following key activities, and our progress against these activities is set out below:

1 Monitor and review the effectiveness of our revised modern slavery supplier survey - Review of this process resulted in the selection of a third-party modern slavery supplier due diligence solution to better assess and report on modern slavery risks within our supply chain.

2 Finalise and implement the Group's Modern Slavery Policy and Modern Slavery Response Procedure - Completed.

3 Roll out modern slavery awareness training across the Group - Commenced.



Next Steps

During the next reporting period we plan to progress the following key activities to improve our understanding and management of modern slavery risks, with a focus on our highest risk areas and where we can make the biggest impact:

1 Implementation of third-party modern slavery supplier due diligence platform.

2 Recommencement of supplier surveys to assess and report on modern slavery risks within our supply chain.

3 Formalising business processes for managing high risk suppliers.

4 Development of a Supplier Code of Conduct.

FOOTNOTES

- 1 As at 31 December, 2023.
- 2 International Labour Organisation, Walk Free and International Organization for Migration, September 2022. "Global Estimates of Modern Slavery: Forced Labour and Forced Marriage", GEMS-2022_Report_EN_V8.pdf (walkfree.org), page 30.
- 3 "Property, Construction & Modern Slavery – Practical responses for managing risk to people", 2020, ahrc_kpmg_modernslavery_property_construction_2020.pdf, page 9.
- 4 KPMG and Australian Human Rights Commission, 2021, "Resources, Energy and Modern Slavery – Practical responses for managing risk to people", pages 14 and 15.
- 5 KPMG and the Australian Human Rights Commission, 2021. "Resources, Energy and Modern Slavery: Practical responses for managing risk to people", Resources, Energy and Modern Slavery (kpmg.com), page 42.
- 6 Hill, Allen, July 2021. Child Mica Mining. The Freedom Hub, <https://thefreedomhub.org/wp-content/uploads/2021/07/TFH-Child-Mica-Mining-Report.pdf>
- 7 Tyre Stewardship Australia, February 2021. Modern Slavery Impact Statement, TSA0059-Modern-Slavery-vFINAL.pdf (tyrestewardship.org.au), page 4.
- 8 International Labour Organisation, Walk Free and International Organization for Migration, September 2022. "Global Estimates of Modern Slavery: Forced Labour and Forced Marriage", GEMS-2022_Report_EN_V8.pdf (walkfree.org), page 30.
- 9 KPMG and Australian Human Rights Commission, 2021 "Resources, Energy and Modern Slavery – Practical responses for managing risk to people", page 18.

APPENDIX A

Mandatory Criteria Compliance Statement

The below table indicates where in this Statement the mandatory criteria set out in section 16 of the Modern Slavery Act 2018 (Cth) can be found.

Mandatory Requirements	Section and Page
(A) Identify the reporting entity.	Section 1, Page 3
(B) Describe the reporting entity's structure, operations and supply chains.	Section 2, Pages 4, 7-8
(C) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Section 3, Pages 9-14
(D) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	Section 4, Pages 15-18
(E) Describe how the reporting entity assesses the effectiveness of these actions.	Section 4, Pages 19
(F) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	Section 1, Page 3
(G) Any other information that the reporting entity, or the entity giving the statement, considers relevant.	See for example, Our Strategy and Values, Page 5,6

APPENDIX B

Schedule of Reporting Entities

1. ACM Autos Pty Ltd
2. ACM Autos Holdings Pty Ltd
3. ACM Liverpool Pty Ltd
4. Adtrans Automotive Group Pty Ltd
5. Adtrans Group Pty Ltd
6. AHG Newcastle Pty Ltd
7. AHGCL 2016 Pty Ltd
8. A.P Group Pty Ltd
9. AP Motors (No 3) Pty Ltd
10. Austral Pty Ltd
11. AUT 6 Pty Ltd
12. Automotive Holdings Group Pty Ltd
13. BASW Pty Ltd
14. Cardiff Car City Holdings Pty Ltd
15. Cardiff Car City Pty Ltd
16. Carlins Group Holdings Pty Ltd
17. CFD (2012) Pty Ltd
18. City Auto (2016) Holdings Pty Ltd
19. City Auto (2016) Pty Ltd
20. EACAB Pty Ltd
21. Eagers ACT Pty Ltd
22. Eagers Automotive Limited
23. Eagers TACT Pty Ltd
24. Eagers Vic Pty Ltd
25. EASST Pty Ltd
26. Easy Auto 123 Pty Ltd
27. EV Dealer Group Pty Ltd
28. Grand Autos 2005 Pty Ltd
29. Highland Autos Pty Ltd
30. MCM Sutherland Pty Ltd
31. Motors Group (Glen Waverley) Pty Ltd
32. Motors Tas Pty Ltd
33. Osborne Park Autos Pty Ltd
34. Perth Auto Alliance Pty Ltd
35. PT (2013) Pty Ltd
36. Shemapel 2005 Pty Ltd
37. Southeast Automotive Group Pty Ltd
38. SWGT Pty Ltd ATF SWGT Unit Trust
39. The Trustee for Osborne Park Unit Trust
40. WS Motors Pty Ltd
41. Zupps Aspley Pty Ltd