

MODERN SLAVERY STATEMENT

PENSKE AUSTRALIA JOINT STATEMENT FOR FINANCIAL YEAR 2023.



Truck Rental



Australia & New Zealand



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MANAGING DIRECTOR'S FOREWORD

At Penske we are committed to upholding human rights and creating, as well as sustaining, an environment where our employees, customers, and business partners are treated with respect, equality, and fairness. In recognition of this and in accordance with our obligations under the *Modern Slavery Act 2018* (Cth), Penske Transportation Group International Pty Ltd is pleased to be publishing its fourth Modern Slavery Statement.

Penske has a zero-tolerance approach to modern slavery and is consistently working to minimise and address any modern slavery risks within our operations and supply chain. Penske remains committed to identifying opportunities to refine our procedures and processes to improve visibility of modern slavery risks in our complex supply chain and work collaboratively with our customers, business partners and suppliers to eradicate modern slavery.

Penske supports the intent of the UN Guiding Principles on Business and Human Rights as well as related international conventions, treaties, and protocols. We are committed to protecting our organisation and workers from risks of modern slavery or human trafficking.

This Joint Modern Slavery Statement is approved by the Board of Penske Transportation Group International Pty Ltd ACN 164 850 355 on behalf of the reporting entities.



Hamish Christie-Johnston
Managing Director
June 2024

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REPORTING ENTITY

This Modern Slavery Statement is made by Penske Transportation Group International Pty Ltd ACN 164 850 355 (PTGI) for the reporting period 1 January 2023 to 31 December 2023 for the purposes of the Modern Slavery Act (Cth) 2018 (Act).

This statement covers the following entities (together referred to as Penske):

- Penske Transportation Group International Pty Ltd ACN 164 850 355
- Penske Australia Pty Ltd ACN 073 690 990
- Penske New Zealand NZBN 9429032261783

Penske Australia Pty Ltd (PAU) is the sole operating entity within Australia. The Board of PAU comprises of two Directors of PTGI. The Penske entities are centrally governed and managed and have a common registered office at 72 Formation Street, Wacol, Queensland.

This statement refers to elements of the Penske New Zealand operations despite this entity not meeting the definition of “reporting entity” under the Act. Penske Australia and Penske New Zealand are subject to the same central governance structure and management as Penske Transportation Group International Pty Ltd.

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REPORTING ENTITY'S STRUCTURE, OPERATIONS AND SUPPLY CHAINS

3.1 Structure

Penske is wholly owned by international transportation services company, Penske Automotive Group, Inc. (NYSE: PAG), and operates independently to provide exceptional standards of service to its customers. Penske's primary operating subsidiary in Australia is Penske Australia Pty Ltd and in New Zealand is Penske New Zealand.

3.2 Operations

Penske Australia and Penske New Zealand supply heavy-duty trucks, diesel and gas engines, and energy systems across Australia and New Zealand. Its key brands are Western Star Trucks, MAN Truck & Bus, Dennis Eagle, MTU, Detroit, Allison Transmission, Bergen and Sauer Compressors. Penske Australia and Penske New Zealand also represent aftermarket products from leading oil, coolant, and filter brands.

Its customers operate in the Asia-Pacific region's most critical and dynamic markets, including on-highway and off-highway transportation, mining, oil and gas, power generation, construction and industrial, rail, marine, agriculture and defence.

Commercial vehicles

Penske imports trucks in an assembled condition. Penske then certifies the vehicles to Australian standards and upfits or modifies the vehicles in-country to customer specifications. Modifications may include bullbars, guard systems, air conditioning, electrical upgrades, hydraulics, paint or fitting equipment manufactured by bodybuilders.

Buses are imported as a rolling chassis, which are sent to third-party body building production facilities for body building as part of the final assembly process.

Power systems

Penske's energy solutions business supplies generator sets as well as complete turnkey solutions from design, engineering and manufacturing through to installation, commissioning and aftersales support. Penske's equipment range includes diesel and gas gensets for continuous power, prime power, emergency standby power and mobile applications, cogeneration and trigeneration, as well as energy storage and control systems. Penske provides tailored solutions including small scale through to multi megawatt applications to suit unique customer requirements.

Penske operates two engine-remanufacturing centres located in Sydney and Perth, which service the specialist demands of our on-highway and off-highway customers. The only facilities of their type in the southern hemisphere, these bespoke, innovative engine remanufacturing centres conduct advanced research and engineering to produce the finest quality remanufactured engines and componentry.

Network

Penske's Australian operations are headquartered in Wacol, Brisbane. Penske Australia operates 14 retail branches in capital cities and regional towns across Australia and a world-class parts distribution facility located in Wacol. Penske also operates a fleet of vehicles which provide mobile technical support to customers across the country. In New Zealand, Penske operates three state-of-the-art dealerships in Auckland, Tauranga and Christchurch.

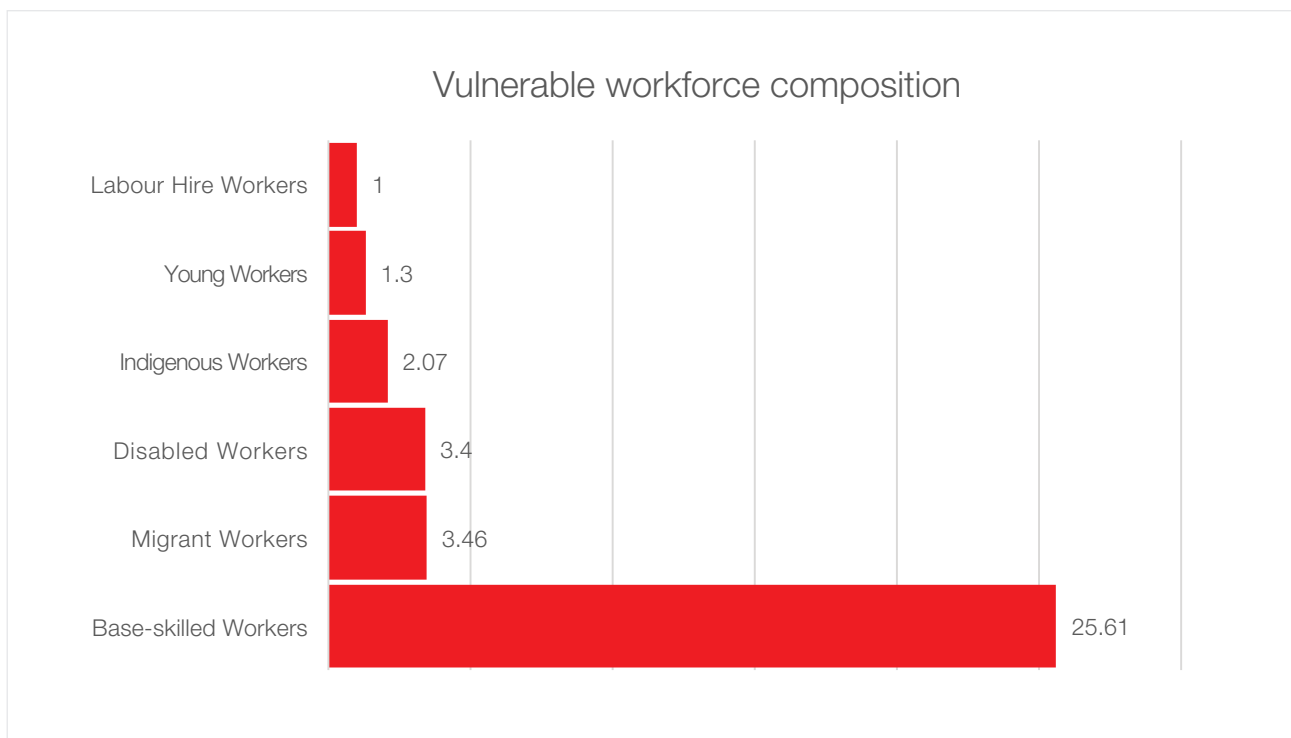
Penske's customers are supported by its significant investments in its dealer networks across Australia and New Zealand, and Penske's four regional training centres (including a dedicated facility in Glendenning, Sydney) which deliver factory-backed technical training. Penske's dealer network comprises of Penske owned as well as independently owned and operated dealership businesses.

Penske Australia dealership businesses represent Western Star Trucks, MAN Truck & Bus and Dennis Eagle trucks, as well as Detroit engines at selected locations. The majority of the Penske dealerships provide full vehicle retail sales, maintenance and repair services, and parts supply. Only 2 of the dealerships provide vehicle parts and maintenance and repair services. All these locations also provide retail sales and servicing of Detroit engines.

Workforce

As at 31 December 2023, Penske employed over 1,300 employees across Australia and New Zealand under employment contracts.

Penske employs vulnerable workers across the business in the following categories:



3.3 Supply chains

Penske sourced its products and services from various suppliers across the globe. The majority of those suppliers were based in Australia and New Zealand, followed by USA and Germany. A large proportion of our supply base comprises long standing and reputable suppliers who have worked with Penske to create supply chain synergies and stable partnerships. Penske procure products, parts and accessories to support their Original Equipment Manufacturer (OEM) distributed products along with all of the products and services you would expect to see in a large-scale retail and distribution business.

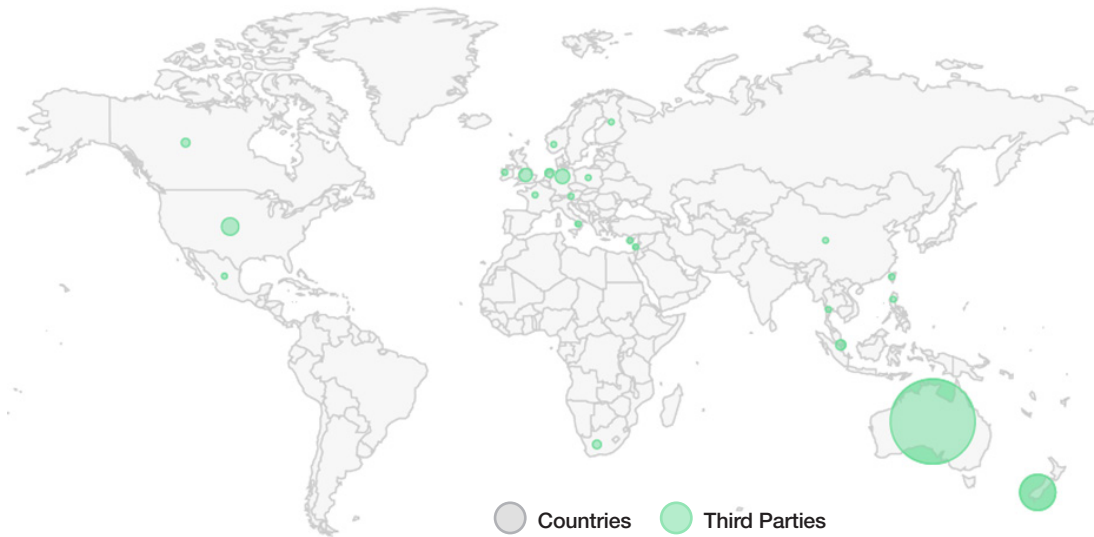


Fig 1: Geographical locations of suppliers which Penske procures products and services from

Most of Penske’s suppliers manufacture and/or purchase the goods and services they provide to Penske from Australia, however, there is a proportion of suppliers that manufacture and/or purchase components from the following countries:

Locations where Penske's suppliers manufacture/produce goods and services

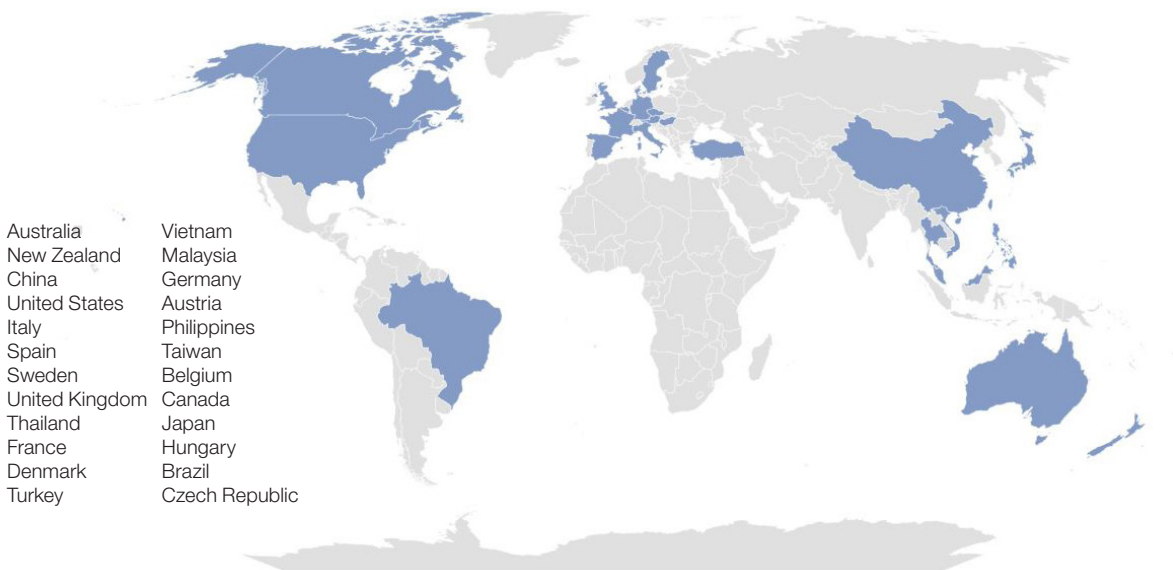


Fig 2: Geographical locations of where Penske's suppliers manufacture/produce goods and services

Penske's operations are supported by a network of independent dealers located, as follows:

Country	Type	Number of dealers	Number of locations
Australia	Independent	54	75
NZ	Independent	17	25
Philippines	Independent	1	1
PNG	Independent	1	1
Indonesia	Independent	1	1

Penske's commercial vehicles business imports and distributes the following truck and bus brands:

Brand	Product	Ownership	Headquarters	Manufacturing locations
Western Star Trucks	Trucks	Daimler Trucks North America LLC	Portland, Oregon, USA	USA
MAN Truck & Bus	Trucks and buses	MAN Truck and Bus SE	Munich, Germany	Germany; Poland; other parts of Europe depending on customer specifications
Dennis Eagle	Refuse collection trucks	Terberg RosRoca SA	Spain	United Kingdom

Penske's power systems business principally distributes engines, transmissions, energy storage and associated power equipment from the following global manufacturers:

Brand	Product	Ownership	Headquarters	Manufacturing locations
Allison Transmission	Automatic transmissions	Carlisle Group	Indianapolis, USA	USA; India
Bergen	Gas engines	Langley Holdings Plc	Bergen, Norway	Bergen, Norway
Detroit	Diesel engines	Daimler Truck Holding AG	Detroit, Michigan, USA	USA; Mexico
Donaldson	Air filters	Donaldson Company, Inc.	Bloomington, Minneapolis, USA	NSW Central Coast, Australia
Mercedes-Benz	Diesel engines	Daimler AG	Mannheim, Germany	Germany; Brazil
MTU	Diesel and gas engines; battery storage systems; Kinetic UPS	Rolls-Royce Holdings	Friedrichshafen, Germany	Germany; Spain; USA
Rolls-Royce Power Solutions	Energy storage and control systems	Rolls-Royce Holdings	Berlin, Germany	Germany
Sauer Compressors	Compressors	JP Sauer & Sohn Maschinenbau GmbH	Kiel, Germany	Germany; France

Penske's ancillary activities include promotion of Daimler Truck Financial Services, Volkswagen Financial Services and other financial products through their retail locations. Finance is offered by third-party brokers which operate out of Penske's Brisbane, Sydney and Perth retail branches.

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DESCRIPTION OF RISKS

4.1 Operations risk

Penske has assessed its operations as being at low risk of modern slavery. This is on the basis that:

- According to the Walk Free Global Slavery Index 2023, Australia and New Zealand are ranked as low prevalence and vulnerability and both have a greater government response to modern slavery;
- Its industry is specialised and the majority of employees are highly trained technicians and professionals;
- Employees are engaged under contracts of employment. Internal processes ensure sighting of labour hire licences in applicable states whenever engaging labour hire;
- The workforce is further safeguarded by Penske's Human Rights Policy, modern slavery training and recruitment procedures, which define and require ethical recruitment practices and prohibit any form of forced labour, child labour, debt bondage or human trafficking.

4.2 Supply chain risk

The sectors from which Penske draws labour and goods from are diverse and complex. Penske recognises that the breadth and depth of these supply chains makes it challenging to effectively manage and mitigate the risks of modern slavery below the first tier of its supply chain. However, Penske's principal products and associated spare parts are sourced from reputable and long-standing OEMs with manufacturing facilities located in regions with low prevalence and vulnerability of modern slavery risks and with a high government response to modern slavery practices.

Penske acknowledges that certain industries carry a higher risk of modern slavery practices. The high-risk industries which Penske sources products and services from are as follows:

Financial services	Textiles and apparel	Hospitality and cleaning	Health services
<ul style="list-style-type: none">• Banking• Lending• Insurance	<ul style="list-style-type: none">• Uniform suppliers• Garments	<ul style="list-style-type: none">• Car hire• Hotels• Travel related activities• Cleaning companies	<ul style="list-style-type: none">• WorkCover injury assessment• Drug and Alcohol screenings



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DESCRIPTION OF ACTIONS TAKEN

At a glance:



5.1 Modern slavery program

In 2023 Penske engaged a third party risk management platform to improve its supplier due diligence processes. With the new platform, Penske gained the ability to more robustly poll and assess the participants in its supply chain for modern slavery risks. The implementation of the platform and associated review and refinement of supplier data was conducted throughout 2023. Penske also developed a Third Party Risk Assessment Procedure to be used in conjunction with the platform and provide a formal framework for completing supplier due diligence.

Policy

Penske adheres to a Code of Ethical Conduct under which the principles of probity and ethical behaviour governs the conduct of all procurement activities. All procurement and purchasing personnel must comply with the standards of integrity, probity, professional conduct, and ethical behaviour set out in Penske's Procurement Policy and document the procurement process to demonstrate that decisions and purchases were made in accordance with the policy.

Penske has in place a Human Rights Policy which underpins the company's commitment to upholding human rights.

All new and renewing dealers in Penske's independent dealer network are required to comply with Penske's Human Rights Policy under written dealer agreements.

Penske's Supplier Code of Conduct sets out the requirements and expectations regarding various topics (e.g. modern slavery, anti-bribery and corruption, integrity and health and safety) which Penske has of its suppliers, contractors, subcontractors and consultants whilst doing business with Penske.

The policies take guidance from the UN Guiding Principles on Business and Human Rights and ILO General Principles for Fair Recruitment. These policies are publicly available at www.penske.com.au.

5.2 Training

Penske recognises that awareness raising is a critical feature of instigating change. Penske developed and implemented a tailored online modern slavery training module, including realistic and business specific quiz scenarios, in conjunction with leading international law firm, Ashurst. The modern slavery training module is mandatory for all employees at the commencement of their employment with Penske, and all existing employees must complete the module on a 24-month recurring basis. The objective of the module is to raise awareness amongst the Penske workforce of what modern slavery is, how they might encounter it in the course of their work and what they should do if they encounter any signs of modern slavery. Penske keeps a record of all employees who have completed the training module. In 2023, all Penske employees were assigned the modern slavery training as part of the recurring training program and completion rate of 100% was achieved throughout the business.

5.3 Supplier obligations

As part of engaging with suppliers and using Penske's influence to mitigate the risk of modern slavery in the supply chain, Penske includes contract clauses in its supplier contracts which require suppliers to:

- act in a manner which is consistent with the principles contained in Penske's Human Rights Policy and have adequate procedures and policies in place to prevent modern slavery in a manner aligned with Australian and recognised international standards, including the UN Guiding Principles on Business and Human Rights;
- provide information about their labour practices and provide Penske with reasonable access to audit those practices; and
- communicate to their employees and their family members that Penske's Australian Whistleblower Policy and hotline are available to them.

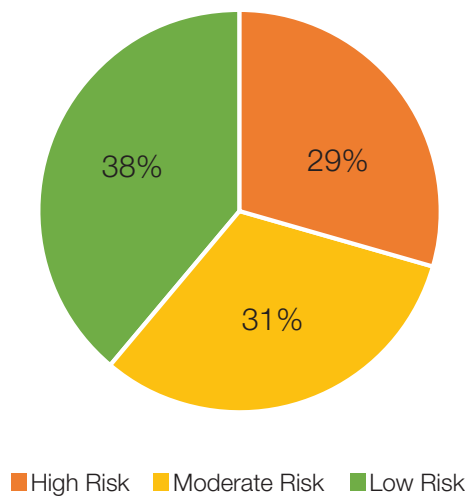
Collectively these obligations are termed "modern slavery obligations" in this document.

Where Penske decides to accept contract conditions prepared by prospective suppliers in relation to significant purchase items, Penske has sought to include clauses that reflect the commitments above.

5.4 Risk assessment, due diligence and remediation plan

In accordance with Penske's Third Party Risk Assessment Procedure, Penske conducted its annual supplier risk assessment to ascertain where modern slavery risks reside within its supply chain. Based on the risk management platform methodology and the limited number of supplier responses received in the relevant period, Penske's supply chain risk ratings are as follows:

Supplier Risk Ratings



Penske's 2023 supplier risk assessment revealed common risk mitigation efforts that polled suppliers have implemented in their operations:

- 94% of suppliers have implemented controls to protect the health and safety of its workforce
- 93% of suppliers have trained their workforce on health and safety
- 64% of suppliers have anti-slavery controls within their operations
- 61% of suppliers have anti-bribery and corruption controls within their operations
- 45% of suppliers workforce have completed training on human rights related issues
- 28% of suppliers have assessed their businesses' human rights impacts
- 20% of suppliers submit their own annual modern slavery report

As part of Penske's risk remediation process, if a supplier receives a high-risk rating or there is an allegation of modern slavery practices within our supply chain, Penske will enquire into the matter to ascertain the facts and circumstances surrounding the modern slavery risk and/or allegation. Based on the circumstances, Penske will decide on an appropriate course of action which could include the following:

- I. Undertake an audit of the supplier (e.g., attendance at supplier's premises and interviewing workforce);
- II. Suspend the goods and/or services provided by the supplier until such time as Penske's enquiry into the matter has been concluded to Penske's reasonable satisfaction;
- III. Create a remediation plan and timeframe by which the action items must be implemented and completed by the supplier; or
- IV. Terminate the supplier contract/engagement for the goods and/or services.

Penske's independently owned dealers are subject to a separate but extensive due diligence process using a similar compliance questionnaire prior to engagement and at every renewal. Rather than scoring and categorising dealers, given their importance to the Penske network, Penske assesses and investigates each independent dealer's responses individually.

5.5 Whistleblowers

Penske recognises the importance of whistleblowers in alerting conduct posing a modern slavery risk to attention for remediation. Penske has an established Speak Up program backed by an Australian Whistleblower Policy and anonymous reporting hotline, which is available to all employees, contractors and their families. Penske's standard ethical business clause in its supplier facing contracts requires suppliers to communicate to their employees and their family members that Penske's Australian Whistleblower Policy and hotline are available to them. Information about the Speak Up program is widely publicised throughout Penske and a training video is provided to new employees which informs them of the program and how it can be accessed.

Any whistleblower reports received are treated seriously, anonymously (if requested by the disclosing person) and investigated by a dedicated Whistleblower Review Group involving senior leaders of Penske. Outcome of the investigations are reported to the Compliance Risk Review Board and to Penske Automotive Group, Inc.'s Audit Committee.

5.6 Sanctions lists

Penske prohibits any business dealings with countries and entities, which are subject to UN Security Council Sanctions and Australia's autonomous sanctions, as published by the Australian Government Department of Foreign Affairs & Trade.

5.7 Future Goals

Penske's future goals in relation to its modern slavery program are captured below.

Supplier Risk Assessment

- Continue risk profiling of Penske's supplier base.
- Enhancing relationships with suppliers to increase cooperation in relation to modern slavery risk management.
- Review results of supplier risk profiling exercise and identify target group of suppliers for due diligence. Develop remediation measures as required and appropriate in the relevant context.

Suppliers

- Working with suppliers to address gaps in modern slavery awareness, training and reporting within their workforce.

Training

- Maintain relevant and engaging awareness training for staff.
- Explore extension of modern slavery awareness training to independently owned dealerships.

PENSKE



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ASSESSING EFFECTIVENESS

The table below outlines how Penske proposes to assess the effectiveness of its modern slavery program. These may be adjusted to adapt to changes in its risk profile and to ensure reporting is relevant and responsive.

Area	Assessment
1. Policy	Review of Supplier Code of Conduct, Human Rights Policy and other policies identified as affecting modern slavery risk regularly on an as needed basis.
	Extent to which suppliers are required to comply with Penske's Human Rights Policy standards.
2. Training	Continued awareness training for all Penske staff and relevant contractors.
	Extent to which modern slavery training is conducted by dealers and suppliers.
	Annual review of relevance and currency of training material.
3. Supplier	Extent to which supplier contracts contain clauses to require suppliers to implement procedures and policies to act against modern slavery and to provide Penske with information about their practices.
	Proportion of and response to supplier commitment to comply with Penske's Supplier Code of Conduct via modern slavery questionnaire.
4. Risk assessment and remediation	Annual risk assessment of Penske operations for modern slavery risk.
	Extent to which suppliers are profiled for modern slavery risk.
	Number and proportion of suppliers identified as posing modern slavery risk.
	Extent to which due diligence is completed on suppliers meeting relevant risk threshold.
	Extent to which remediation actions are required and types of remediation taken.
	Extent to which remediation actions have been implemented and complied with.
5. Detection	Extent to which Penske's Speak Up/Whistleblower program is available and publicised.
	Number of reports of conduct posing a modern slavery risk.

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PROCESS OF CONSULTATION

The Penske entities are centrally governed and managed with largely common directors across the companies. Penske's operational functions are supported by national teams for Finance, Procurement, Human Resources, Supply Chain, Information Technology, Compliance and Legal and Governance ensuring a consistent approach and shared efficiencies.

A diverse and consultative approach was taken with the various national teams mentioned above and the different business divisions to understanding Penske's operational and supply chain risks and developing an appropriate modern slavery program and statement in response.

Prior to being presented to the Board for review and approval, this statement was reviewed by relevant members of the Executive Management team including the Managing Director, Chief Financial Officer, General Manager – Legal and Governance, Executive General Manager – People and Culture, and National Procurement Manager.

Thank you for reading this report.



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