



Modern Slavery Statement - 2024 Meritor Heavy Vehicle Systems Australia Ltd.

Introduction

This is the fourth Modern Slavery Statement submitted pursuant to section 13 of the Modern Slavery Act 2018, (Cth) (Act) for Meritor Heavy Vehicle Systems Australia Ltd. (ABN No. 86 004 479 430) (“**CumminsMeritor Australia**”).

This statement outlines CumminsMeritor Australia’s ongoing efforts to ensure supply chain transparency during the 2024 calendar year. This has been done in accordance with the seven (7) mandatory reporting criteria outlined in s16 of the Act. CumminsMeritor Australia’s financial year is from the 1st of January to the 31st of December.

As a subsidiary of a global company, driven by strong corporate governance and social responsibility, CumminsMeritor Australia is committed to maintaining and improving our company policies and processes to identify, eliminate and prevent the risk of modern slavery in our business and global supply chain.

This Modern Slavery Statement has been prepared with input from a cross functional team and has been approved by the directors, herein represented by David Cole, Managing Director, CumminsMeritor Australia.

Criteria 1 and 2 – Identification, Company Structure, Operations and Supply Chain

Cummins Inc (“Cummins”), a global power solutions leader, is comprised of five business segments – Engine, Components, Distribution, Power Systems, and Accelera by Cummins – supported by our global manufacturing and extensive service and support network, skilled workforce and vast technological expertise. Cummins is committed to its Destination Zero strategy, which is grounded in the company’s commitment to sustainability and helping its customers successfully navigate the energy transition with its broad portfolio of products. The products range from advanced diesel, natural gas, electric and hybrid powertrains and powertrain-related components including aftertreatment, turbochargers, fuel systems, valvetrain technologies, controls systems, air handling systems, automated transmissions, axles, drivelines, brakes, suspension systems, electric power generation systems, batteries, electrified power systems, hydrogen production technologies and fuel cell products.

Headquartered in Columbus, Indiana (U.S.), since its founding in 1919, Cummins employs approximately 69,600 people committed to powering a more prosperous world through three global corporate responsibility priorities critical to healthy communities: education, environment, and equality of opportunity. Cummins serves its customers online, through a network of company-owned and independent distributor locations, and through thousands of dealer locations worldwide and earned \$3.9 billion on sales of \$34.1 billion in 2024.

CumminsMeritor Australia is a wholly owned subsidiary of Cummins and imports and manufactures axle and driveline products for heavy duty vehicle applications; distributes associated components for aftermarket service; and provides support through customer dealership networks, and independent distributors and retailers. In 2024, CumminsMeritor Australia generated approximately AUD\$154.8m. The head office is in Sunshine, Victoria and a distribution centre is in Derrimut, Victoria. CumminsMeritor employs 128 employees in Australia consisting of 84 permanent employees and 44 casual employees. Our employees are engaged by either direct employment contract or under enterprise agreements which cover approx. 43% of the total permanent workforce.



In 2024 CumminsMeritor Australia had a global supply base of 276 active suppliers providing a range of direct production materials, and non-production goods and services. These suppliers are based in the following countries:

Australia	178
USA	38
Asia	24
Europe	6
India	7
Other Global Cummins Entities	23

Criteria 3 - Risks of Modern Slavery

CumminsMeritor Australia recognises that the risks of modern slavery may occur in its organisation and extended supply chain and understands that level of risk is influenced by vulnerable populations, product and service categories, and geographic locations.

As part of the CumminsMeritor Australia review process, all active suppliers in the 2024 financial year were risk profiled using the recognised *Global Slavery Index*¹, and also recognised suppliers which had been prequalified for compliance to trafficking and slavery laws, and with established supply relations and contracts with Cummins entities globally. Furthermore, this process continues to be complemented by engaging suppliers annually in a survey assessment and *Certificate of Compliance Against Human Trafficking and Slavery*.

Particular attention in these assessments was on suppliers located in countries that are considered higher risk in accordance with the *Global Slavery Index*. These assessments resulted in no immediate concerns.

In addition, no concerns were evident in relation to our intercompany supply chain, as CumminsMeritor Australia sources most of its goods from various Cummins manufacturing plants and distribution centres, which are subject to the same policies herein as CumminsMeritor Australia.

CumminsMeritor Australia manufacturing and distribution centre operations remains low risk of causing or contributing to modern slavery given robust policies and procedures that govern labour employment, and which are subject to employment standards under the Fair Work Act 2009, ethical treatment of our employees, the existence and representation of trade unions for collective bargaining within our operations, and the requirement for a legal status to work.

Criteria 4 - Actions to Assess and Address Modern Slavery

1. Policies and Governance

The Cummins policies set out in this section apply to all suppliers and sub-tier suppliers of products and services to Cummins. Additionally, for the purposes of these policies, Cummins shall mean and include Cummins Inc., its affiliates, including without limitation its joint ventures, subsidiaries, and distributors, including the Cummins reporting entities.

Cummins has a **Code of Business Conduct (The Code)** that outlines 10 "Statements of Ethical Principles", providing the foundation for ethical behaviour at Cummins. The principles support our values and are backed by corporate policies and other key documents that provide specific guidance on various topics, including human rights.

¹ **Global Slavery Index** (<https://www.globalslaveryindex.org/>) - The Global Slavery Index provides a country by country ranking of the number of people in modern slavery, as well as an analysis of the actions governments are taking to respond, and the factors that make people vulnerable.



The Code addresses issues ranging from Cummins' commitment to diversity and how we treat each other, to how we compete fairly for business around the world. It also reminds us of our key and unchanging responsibility as Cummins employees to always behave ethically and to report behaviour that does not reflect our standards and values. The Code includes provisions prohibiting forced labour or child labour.

The Code, which is available for download in sixteen different languages, provides our employees around the world with a practical guide to doing the right thing and reinforces the values that have made Cummins a great place to work for more than 100 years.

Each year, employees are required to certify their compliance with the Code and underlying policies and report any exceptions to policy through an ethics certification process. Ethics and Compliance team review all exceptions raised in the certification process to ensure they are properly managed and documented.

In March 2018, Cummins adopted a **Human Rights Policy** which applies to all Cummins employees and entities worldwide (including CSP/PL), recognising and supporting fundamental human rights. The policy prohibits the use of all forms of child labour and forced labour (including threat or force or penalty), indentured labour, bonded labour, military labour, slave labour and any form of human trafficking. This policy was last updated in 2020 and last reviewed in March 2023. The policy states:

"We support human rights around the world and will comply with all applicable laws regarding the treatment of our employees and other stakeholders. We will not tolerate child or forced labour anywhere and will not do business with any company that does (...). Our commitment to fair treatment and human rights also extends to our joint ventures, suppliers, and other partners. We will insist our suppliers and partners treat their stakeholders in a way that is consistent with our values through our Supplier Code of Conduct".

Cummins values global supply partners who share a commitment to quality and value and operate under a philosophy that focuses on integrity and "doing the right thing". To support this philosophy, Cummins has a **Supplier Code of Conduct (SCOC)** specifically for its global supply base. The Cummins' SCOC demonstrates the value Cummins places on global supply partners who share a commitment to quality and value and operate under a philosophy that focuses on integrity and "doing the right thing". The SCOC outlines Cummins' expectations that all suppliers will comply with certain business and ethical standards and to the laws of their respective countries, as well as all other applicable laws, rules, and regulations. The SCOC applies to all businesses that produce goods or provide services for Cummins and any of its subsidiaries, joint ventures, divisions, or affiliates.

The SCOC is available in 15 languages and outlines 7 principles to ensure that Cummins is doing business with other companies around the world that share its sustainable practices. These provisions include banning child or forced labour, wages, and hours, working conditions, freedom of association, political activity, and bribery/corruption of government officials. Compliance with the principles of the SCOC is a requirement to do business with Cummins.

In December 2021 CumminsMeritor Australia launched a **Modern Slavery and Human Trafficking Policy** (reviewed in 2024). The policy establishes the guidelines and procedures for assuring compliance with local Australian laws and global corporate requirements which prohibit human trafficking and slavery, and/or knowingly benefiting from any such activity.

Aligning with the expectations set out in this policy and the SCOC, CumminsMeritor Australia has a **Production Supplier Evaluation, Qualification and Selection Procedure** and a **New Supplier Onboarding Process**. These procedures reinforce the expectations and requirements of suppliers to stay in compliance with laws against human trafficking and slavery.

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In 2024 Cummins launched a global **Speak up Policy** to encourage employees to speak up and report any actual or suspected violations of law or company policy, or any other ethical concerns that do not align with our culture of compliance. The policy prohibits retaliation against employees who report speak up concerns in good faith or cooperate in any investigations relating to such reports.

Cummins also has a **Non-Retaliation Policy** which prohibits all forms of retaliation to encourage speak up. Cummins prohibits retaliation against employees who raise concerns or who report violations of the Code, company policies, or the law. Cummins is committed to providing a workplace conducive to open discussion of its business practices and where employees are encouraged to report concerns and raise issues.

2. Due Diligence

Each year CumminsMeritor Australia ensures that not less than 80% of its purchase value was with suppliers either of low country index risk (per Global Slavery Index), and/or provide a *Certificate of Compliance Against Human Trafficking and Slavery* within their business and supply chain operations.

Part of this process also included a survey of suppliers that enables CumminsMeritor Australia to build a more transparent view of our suppliers with respect to their company structure, policies and procedures for responding to and eliminating modern slavery risks. Findings of the 2024 supplier survey continues to show improved engagement and maturity in actions in our global supply chain on prior year. Some observations include;

- Majority of suppliers have responded that awareness and visibility of risk in their supply chain continues to improve
- More suppliers are including Modern Slavery requirements into their company policies
- More suppliers are actively screening their supply chain for risks
- 78% suppliers had documented policies and procedures specific to modern day slavery
- 98 % of suppliers responded having supply chain and operations compliance process either implemented or in process of implementation

3. Grievance and Remediation

CumminsMeritor Australia is committed to creating a supportive and safe environment to enable employees and third parties to raise suspected breaches of the Code and the SCOC. Employees and third parties have multiple avenues to raise a concern or seek guidance on suspected Modern Slavery or Human Rights issues at Cummins or within its supply chain. Some of these avenues are: (1) for employees, raising the issues with a supervisor/manager; (2) for employees or third parties, online reporting at www.ethics.cummins.com; (3) for employees or third parties, calling the Cummins Ethics Help Line; and (4) concerns about potential code violation contact can also be sent to supplierconcerns@cummins.com. There is also a QR code to access Cummins' Ethics Help Line, which has been made available internally and externally to enable easier access to raise a concern or seek guidance. All reports can be raised anonymously and are independently investigated.

Violations of policies at any level of the company are acted on swiftly and appropriately. Outcomes are tracked and root causes and required remediations determined and carried out. If a supplier was found to be in continued noncompliance with the SCOC, additional action may be taken, including the termination of the business relationship.

The reporting of concerns, or any potential concerns, is highly encouraged by all employees. The Ethics Help Line and Cummins Speak Up Policy provides a process for reporting disclosable conduct, to encourage the identification of wrongdoing by a safe and secure means. The Cummins Human Rights Policy also lists external reporting options to report a human rights issue or to request information.

4. Training

In 2024 the following related training was conducted:

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- all salaried employees completed online mandatory training based on our Anti-Bribery and Corruption Policy which addresses significant risk factors of modern slavery including consequences of bribery and corruption, high risk activities, required record keeping and speaking up.
- organised online training program now accessible to all suppliers to increase awareness and knowledge of Modern Slavery risks in their operations and extended supply chains. Access information is shared with target supplier base participating in the survey. A further 8 suppliers completed online training in 2024.

Furthermore, Cummins has an online training package to support the Human Rights Policy which specifically addresses Human Rights and Modern Slavery and is available for all employees. The online training includes being able to identify red flags of potential human rights violations, understand the importance of conducting due diligence for third parties in Cummins' supply chain and how to report potential human rights violations.

5. Supplier Controls / Agreements

In 2024 Cummins Meritor Australia required suppliers that make not less than 80% of purchases by value are either other Cummins entities, and/or of low risk index, and/or provide a *Certificate of Compliance Against Human Trafficking and Slavery* (a statement which requires suppliers to comply with all applicable laws, statutes, ordinances, rules and regulations pertaining to human trafficking and slavery in all locations of their sourcing, manufacturing and selling activities).

CumminsMeritor Australia suppliers are in the process of transitioning to the Cummins Supplier Code of Conduct (SCOC) provisions of which include banning of child or forced labour, wages, hours, working conditions, freedom of association, political activity, and bribery/corruption of government officials.

CumminsMeritor Australia Purchase Order Terms & Conditions are also updated with Modern Slavery Compliance requirements and any new supplier as a part of onboarding process must comply with the Terms and Conditions and SCOC. Additionally, the suppliers need to comply with the Modern Slavery Compliance Declaration if they are supplying from medium and high risks regions.

Criteria 5 - Assessing Effectiveness

CumminsMeritor Australia is continually working to further develop and protect Cummins' commitment to doing business ethically. Throughout 2024:

- No reports were received in relation to human rights and modern slavery in CumminsMeritor Australia's business operations or supply chain
- Supplier *Certificate of Compliance* rate 99% of total purchase value, and exceeding target of >80% of purchases
- 100% of salaried employees completed online ethics certification. Those employees who did not complete the certification were on long term leave at the time the certification took place.
- 100% of salaried employees completed Ethics Curriculum training which focused on modern slavery risk factor, anti-bribery and corruption.

Criteria 6 - Consultation

CumminsMeritor Australia has a cross functional team dedicated to Modern Slavery work. Consultation has taken place with regional Cummins subject matter experts including Ethics and Compliance and Legal.



Criteria 7 – Other Relevant Information

- Cummins believes its impact socially, both inside and outside the company, creates stronger communities. In 2024, more than 60,600 Cummins employees volunteered more than 358,000 hours, organised 12,100 community events and partnered with 3,700 non-profits.
- Cummins has been a signatory to the United Nations Global Compact, and its underlying principles on human rights, labour rights, environmental rights, and anti-corruption, since September 2017. Cummins' approach to counteract human right violations is also aligned with principles in OECD (Organization for Economic Cooperation and Development) Guidelines for Multinational Enterprises ("OECD Guidelines") and UN Guiding Principles on Business and Human Rights ("UNGP").
- Cummins commitment to diversity, equity and inclusion dates back over 60 years, and remains the heart of our culture and cornerstone of our ongoing success. As a reflection of that commitment, in 2024 Cummins received several workplace honours and recognition including:
 - Best Places to Work (Glassdoor)
 - Best Place to Work for Disability Inclusion (Disability: IN)
 - Military Friendly Silver Employer (Military Friendly)
 - Top Hispanic Employer (Diversity Magazine)
 - Inclusion & Diversity Impact Award (World 50 Group)
 - Best Company for LGBTQ+ Employees (Human Rights Campaign)
 - Top Companies for Women to Work in Transportation (Women in Truck (WIT) Association)

Approval:

The Board of Directors of Meritor Heavy Vehicle Systems Australia Ltd. is its principal governing body for the purpose of this Act.

This Modern Slavery statement was approved by the board of Meritor Heavy Vehicle Systems Australia Ltd. on June 30, 2025

David Cole

Meritor Heavy Vehicle Systems Australia Ltd.
Director and Managing Director

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