

DAIMLER TRUCK

Australia Pacific



MODERN SLAVERY STATEMENT

(2023)

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A message from the CEO

Daimler Truck Australia Pacific Pty Ltd (“**DTAuP**”) is pleased to provide our third annual statement under the *Modern Slavery Act* 2018 (Cth) (“**Act**”) in recognition of the global concern about Modern Slavery in supply chains.

DTAuP is part of the wider Daimler Truck Group of companies (“**Daimler Truck Group**”); and as part of this DTAuP has locally incorporated and enacted global initiatives that have been implemented by our ultimate parent company, Daimler Truck Holding AG (“**Daimler Truck**”). DTAuP and the wider Daimler Truck Group of companies recognise that Modern Slavery cannot be eradicated immediately, but are committed to observing human rights obligations and the general objectives of the Act. People are at the core of our business. Our aim is to ensure that their fundamental human rights are respected in our own business, as well as by our business partners and suppliers. To assist us to uphold these values, we set out our standards and expectations with each of our suppliers, including in our Code of Conduct, Business Partner Standards, purchase order terms, tender processes and supplier agreements.

DTAuP is committed to continually improving and developing best practices in identifying, monitoring, managing and reporting on Modern Slavery in our operations and supply chains.

This statement was approved by DTAuP’s Board of Management on 12 June 2024.



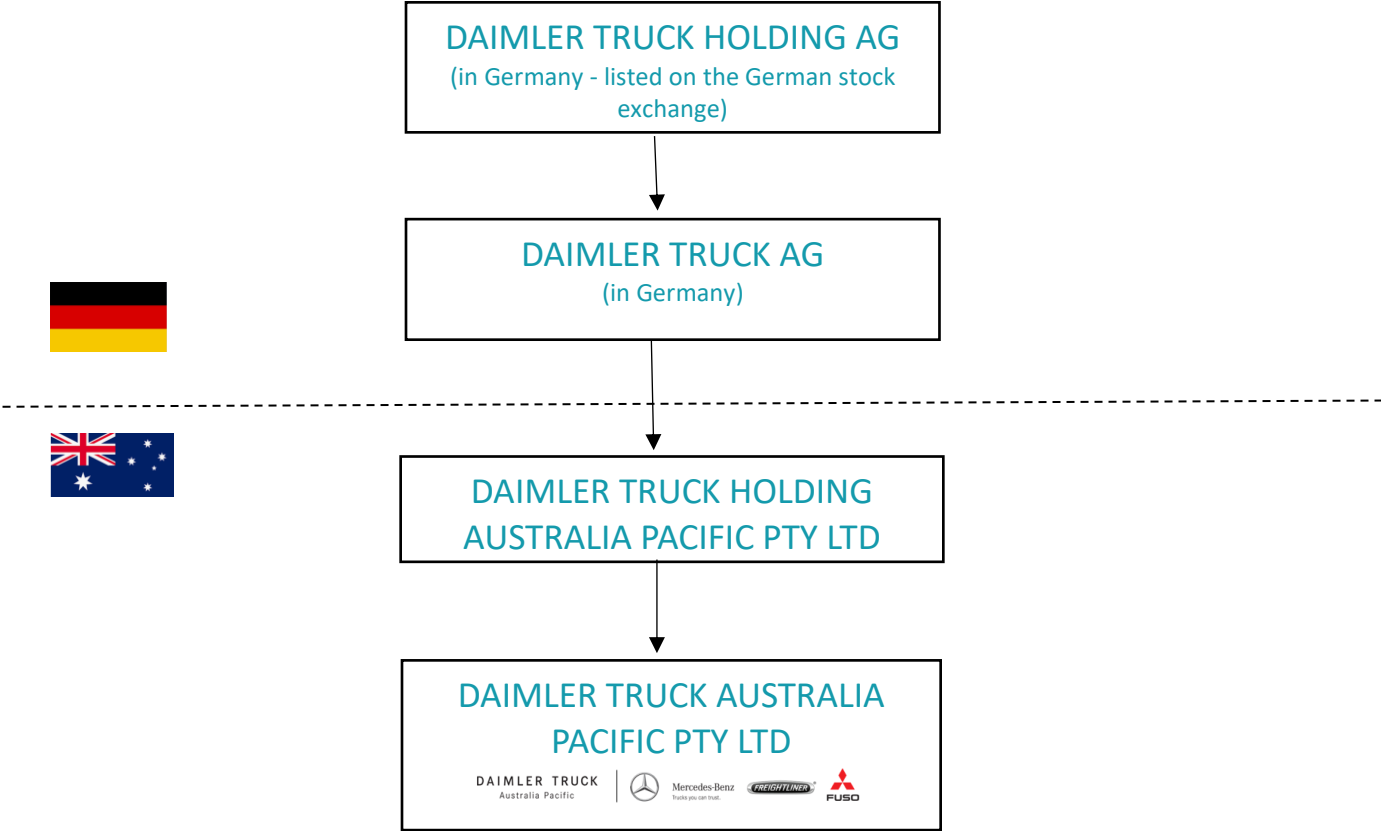
Daniel Whitehead
Chief Executive Officer
Daimler Truck Australia Pacific Pty Ltd

Section 1. Introduction

This Modern Slavery statement is made pursuant to the *Act* and covers DTAuP activities over the financial year 1 January 2023 to 31 December 2023. It has been prepared to comply with the requirements of the *Act* in order to meet the mandatory criteria as outlined in the Australian Border Force publication *Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities*.

DTAuP has a rich history in the Australian market dating back to the 1970's, and has been operating under the current legal entity since 1 October 2017, following a corporate restructure in Australia. The company is responsible for importing, distributing and wholesaling component parts and vehicles from Mercedes-Benz, Freightliner and Fuso brands to Australian businesses and consumers. It is further responsible for importing, distributing and wholesaling component parts and vehicles from Mercedes-Benz and Freightliner brands to New Zealand businesses and consumers. DTAuP is part of the worldwide Daimler Truck Group, with its ultimate parent company being Daimler Truck Holding AG based in Leinfelden-Echterdingen, Germany.

OVERVIEW OF STRUCTURE IN AUSTRALIA



DTAuP EMPLOYEE OVERVIEW IN AUSTRALIA

Location	Number of employees
Mulgrave Head Office	184
SelecTrucks (used vehicle business)	6
NSW Regional Office	15
Brisbane Regional Office	6
Port Kembla Technical Services (NSW)	1

DEFINING MODERN SLAVERY

For the purposes of this statement, the term “**Modern Slavery**” is used to describe the most serious forms of exploitation and encapsulates, including but not limited to:

- **Child slavery** – includes child trafficking, child soldiers, child marriage and child domestic slavery. Child slavery is often confused with child labour. Whilst child labour is harmful for children and hinders their education and development, child slavery occurs when a child is exploited for someone else’s gain.
- **Debt bondage** – occurs when people borrow money they cannot repay and are required to work to pay off the debt. This causes people to lose control over the conditions of both their employment and the debt.
- **Descent-based slavery** – occurs when people are born into slavery because their ancestors were captured and enslaved and therefore they remain in slavery by virtue of descent.
- **Domestic servitude** – when employees work in private homes and are forced or coerced into serving and/or fraudulently convinced that they have no option to leave.
- **Forced and early marriage** – when someone is married against their will and cannot leave the marriage. Child marriages can be considered a form of slavery.
- **Forced labour** – involves any work or services which people are forced to do against their will under the threat of some form of punishment.
- **Human trafficking** – involves transporting, recruiting or harbouring people for the purpose of exploitation, using violence, threats or coercion.
- **Sex trafficking** – involves people, including children, being forced into the commercial sex industry and held against their will by force, fraud or coercion.

As a result of Modern Slavery, there are an estimated...

49.6 MILLION PEOPLE enslaved **around the world,**
with 27.6 million people in forced labour.¹

In the 2022-23 financial year, the Australian Federal Police received ...

340 reports of modern slavery and human trafficking in Australia.
An increase of **46 reports** compared to the 2021/22 financial year.²

¹ Information sourced from <https://www.walkfree.org/projects/global-estimates-of-modern-slavery/> on 20 April 2024.

² Based on AFP report dated 8 December 2023, available at: <https://www.afp.gov.au/news-centre/media-release/human-trafficking-reports-continue-increase-australia>.

Globally, it is Daimler Truck's goal to bring transparency to its supply chains. This presents a great challenge, as transparency cannot be achieved automatically. For this reason, experts from various specialist departments at a global level, such as Procurement & Supplier Quality, Legal and Compliance (includes the Group Sustainability Management & Human Rights Compliance Department within the Legal & Compliance Unit), work closely together to progress the topic from a variety of perspectives. This strategy, both globally and locally, steers us in a positive direction with the aim of minimising human rights violations in our supply chains.

This statement outlines the measures we have taken in 2023 to strengthen our local policies and procedures to ensure we play our part in the detection and mitigation of Modern Slavery risks within our supply chains.

Section 2. Overview of Supply Chain

DTAuP are committed to upholding respect for human rights, which is a central aspect of its sustainable business strategy. DTAuP endeavours to ensure these fundamental rights are respected and measures are implemented to address Modern Slavery both within its own business and throughout its supply chain.

The Daimler Truck Group are the importers, distributors and wholesalers of a range of component parts and vehicles.

Mercedes-Benz Trucks, Freightliner and Fuso commercial vehicles, as well as Mercedes-Benz and Fuso buses are distributed through DTAuP. These component parts and vehicles are sourced from three key suppliers' who are part of the Daimler Truck Group: Daimler Truck AG of Germany, Daimler Trucks North America LLC ("**DTNA**") based in the United States of America, and Mitsubishi Fuso Truck and Bus Corporation ("**MFTBC**") based in Japan.

In 2023, these vehicles and parts were distributed to both DTAuP's warehouse located in Laverton at that time, as well as the 60 dealerships across Australia and 23 dealerships in New Zealand.

DTAuP DEALERSHIP NETWORK



From an operations perspective, locally DTAuP work collectively with suppliers for goods and services located both domestically and overseas.

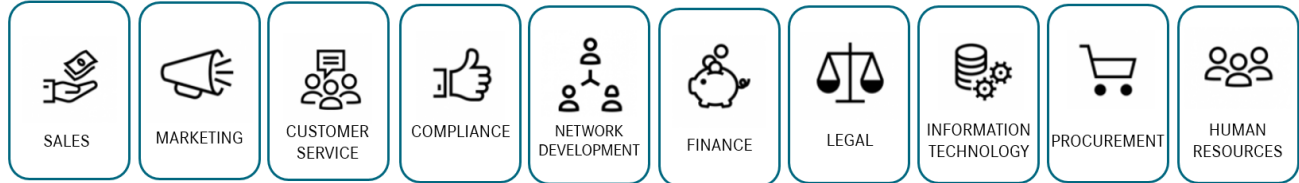
WORLDWIDE SUPPLY PARTNERS



FY23. The data presented is based on figures applicable on 31 December 2023, unless specified otherwise.

OVERVIEW OF OPERATIONS

These suppliers play an essential role to DTAuP’s internal operations as they help support business units, which include but are not limited to: marketing and information technology, government departments, settlement payment dealers (dealers and third party suppliers) and operating expenses vendors.



These goods and services are sourced through a policy-defined process, where third party suppliers are issued purchase orders typically after a sourcing process.

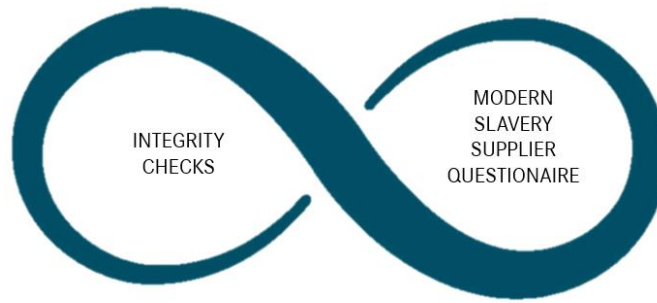
Section 3. Identifying Potential Risks in Our Supply Chains

DTAuP have not identified any severe risk of Modern Slavery in our local supply chains thus far. Generally, there is a low risk in our direct product line, however, we consider there to be risks when procuring wider services such as clothing, food, vehicle parts and electronics.

Below is a snapshot of some potential risks we consider may be associated to our broader supply chain:

Risk	Description
Raw materials	There are a range of raw materials that are used in our products, which can include steel, rubber and plastic. Some of these materials have a heightened risk of Modern Slavery, such as child labour and debt bondage.
Lack of visibility	We recognise we have decreased visibility over contracted and subcontracted labour and third-party manufacturing, which increases the risk of Modern Slavery, such as forced labour.
Labour exploitation	Although not direct risks, we are aware and recognise the risks of labour exploitation in various sectors we are associated with, such as the resources and mining sector.

Locally, DTAuP continually aims to identify potential risks of Modern Slavery within its immediate supply chain. As part of this process, all new suppliers, as well as continuing suppliers, are subject to DTAuP’s due diligence processes which include the following:



Integrity Checks

As a part of our compulsory pre-screening process, DTAuP conducts integrity checks on suppliers to ensure they are not listed on any international sanctions lists. If there are any concerns raised by the integrity check, these are escalated to our Legal team, and then to our Board of Management, who will decide on a case by case basis, depending on mitigating factors, whether or not to engage with the prospective supplier.

Vendor Creation Form

As part of the final step of setting up a supplier in DTAuP's systems for payment, the supplier is required to complete the Vendor Creation Form. This form now includes a Modern Slavery Questionnaire so each new supplier is automatically assessed for any Modern Slavery risks. This assists in identifying any concerns at the earliest stage prior to receiving any products or services.

Modern Slavery Supplier Questionnaire

After completing our Integrity Checks, but before entering into any new agreement to conduct business with a prospective supplier, the supplier must complete a Modern Slavery Supplier Questionnaire ("**Questionnaire**") as part of a compulsory pre-screening process to ensure all Modern Slavery risks are identified prior to engagement. The Questionnaire has now been embedded into the Vendor Creation Form so that it can capture all new suppliers being established in our internal systems for payment.

DTAuP also requests its existing suppliers to complete the Questionnaire annually to ensure DTAuP are continually able to identify and assess Modern Slavery risks. This includes at the time of renewing any agreement with existing suppliers, to ensure no new risks have developed within the existing supplier's operations.

The Questionnaire assesses whether the supplier is aware of or has identified, assessed and addressed any risks of Modern Slavery within its supply chains. If a supplier indicates any risk of Modern Slavery within its supply chains, this is escalated to our Legal team, and then to our Board of Management, who will decide on a case by case basis, depending on mitigating factors, whether or not to engage with the prospective supplier.

DTAuP distributed the Questionnaire to all suppliers who were active as of 31 December 2023, totalling 1,541 Questionnaires to suppliers, with around 284 questionnaires returning undelivered.

Of the 147 responses received, 24 suppliers provided a URL link to their own Modern Slavery statement for the previous financial year and overall, a majority of suppliers (113 of 147) confirmed they had implemented ongoing measures to continuously identify, assess and address Modern Slavery. This included measures such as having policies in place related to human rights or Modern

Slavery specifically, review of internal processes, mapping supply chains, wider code of conducts or compliance measures, ethical sourcing policies, review of raw materials sourcing, setting up working groups solely for assessing modern slavery risks, visiting their supplier factories, due diligence processes, on-boarding and audit processes, contract requirements in standard templates, conducting employee training and awareness sessions, annual supplier reviews, and other forms of risk assessments. Suppliers of larger corporations with more extensive supply chains had dedicated procurement functions, ensuring their processes are legal, ethical, socially responsible and comply with all regulatory requirements.

We only had a handful of suppliers that responded saying they may have potential risks of Modern Slavery in their supply chain, however, these were only in reference to low risks which were actively being assessed or in consideration for suppliers being utilised in higher risk countries. The majority of suppliers we received responses from were not aware of any specific risks, but had general awareness of Modern Slavery and recognised risks of indirect exposure to Modern Slavery. For most of our suppliers, it was consistent that their general Modern Slavery risks lied indirectly within their supply chains. For our suppliers of smaller businesses and/or sole traders, it was consistent that they were not subjected to the same risks as those that came with a larger amount of employees or extensive supply chains. Some responses from suppliers were also left incomplete which made it difficult to assess further.

Modern Slavery Committee

In April 2022, DTAuP set up a committee with members from across the business, including from the three brands, procurement, compliance and legal, who were each nominated by DTAuP's board of management. The committee was created as an internal initiative to operate as an ongoing project committed to upholding human rights. The purpose of this taskforce is not to eradicate Modern Slavery, but more to work together as a group to implement further actions in relation to identifying, assessing and addressing Modern Slavery.

Industry Comparison

The Modern Slavery Committee completed a comprehensive industry comparison of modern slavery statements to identify any gaps and areas in our processes that may need adaptation or improvement.

Globally, Daimler Truck values and is committed to human rights protection. It has implemented the following initiatives across the Daimler Truck Group:

(1) Human Rights Compliance Management System (“HRCMS”)

This allows for risk-based and systematic assessments of human rights risks in the Daimler Truck Group and its supply chains, and is based on requirements from internationally recognised standards, e.g. UN Guiding Principles. Please see <https://www.daimlertruck.com/en/sustainability/social/human-rights-compliance-management-system> for further information.

(2) Human Rights Compliance Training

This training was sent to all active employees of the administration of Daimler Truck AG and controlled Daimler Truck Group companies in the areas of Purchasing, HR, Communication, and Legal & Compliance, the Legal & Compliance Network (e.g. Legal & Compliance Officers (LCOs)), and the CEOs of the local entities. The training provides information about human rights in general, the possible risks for human rights violations, and the relevance of human rights at Daimler Truck. This online training is sent to the aforementioned target employee group every three (3) years and is mandatory to complete within sixty (60) days of receipt.

(3) Compliance Awareness Module for Sales Business Partners and Suppliers

This web-based module was created to explain how Daimler Truck anchors compliance with its partners in everyday business and included, among other things, topics such as data compliance, fair competition and corruption prevention.

(4) The Group Sustainability Management & Human Rights Compliance Department (part of the Legal & Compliance Unit)

This department is responsible for the development and steering of the Human Rights Compliance Management System (HRCMS). It is also responsible for providing legal advice on human rights issues within the Daimler Truck Group and works closely with departments that are responsible for the operational implementation of human rights due diligence within the Daimler Truck Group - in particular human resources and purchasing.

(5) Code of Conduct

The Code of Conduct expresses Daimler Truck Group's commitment to human rights. In addition, it provides all Daimler Truck Group employees with information about human rights and raises general awareness of the corresponding risks. The Code of Conduct is available to view at: <https://www.daimlertruck.com/en/company/compliance/daimler-truck-code-of-conduct>.

(6) Declaration of Principles on Social Responsibility and Human Rights at Daimler Truck ("Declaration of Principles")

Daimler Truck Group's General Works Council, World Employee Committee and IndustriALL Global Union have agreed on the Declaration of Principles, available to view at: <https://www.daimlertruck.com/en/sustainability/s-social/human-rights/declaration-of-principles>. It describes the approach and processes taken to respect and support human rights at Daimler Truck Group. The Declaration of Principles supplements the commitment to human rights in the Daimler Truck Code of Conduct and forms the basis for how we realize our social responsibility.

(7) UN Global Compact Membership:

Daimler Truck Group continues to participate in the United Nations (UN) Global Compact and are committed to the UN Guiding Principles for Business and Human Rights. We place particular importance on the International Bill of Human Rights as well as the core labour standards of the International Labor Organization (ILO).

(8) Business Partner Standards and Special Terms

The Business Partner Standards available at https://www.daimlertruck.com/fileadmin/user_upload/dokumente/unternehmen/compliance/daimler-truck-business-partner-standards-april-2022.pdf, define the expectations for our business partners to respect and uphold internationally recognised human rights. In 2023, these criteria were incorporated into DTAuP's local terms applicable to our standard supplier purchase orders.

(9) Global Procurement Due Diligence

The goal is for business partners throughout Daimler Truck's supply chain to adhere to social and environmental standards, thereby bolstering Daimler Truck's sustainability endeavours. To fulfill due diligence responsibilities across the supply chain, a framework of mandatory criteria, evaluation tools, and information and qualification initiatives for suppliers is employed. This framework is also ingrained within the Human Rights CMS.

Both locally and globally, there is a continual expansion and improvements to the due diligence processes to respect human rights, and ensure potential risks of Modern Slavery are identified within our supply chains.

Section 4. Actions taken to Assess and Address Identified Risks

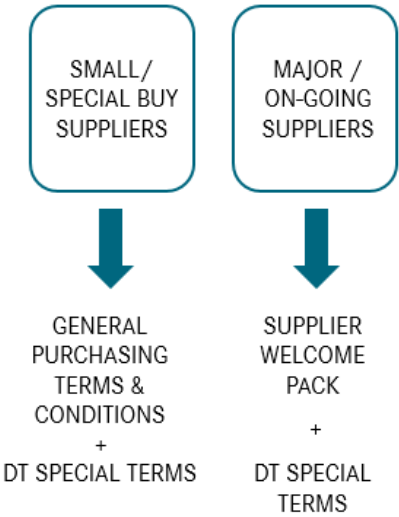
DTAuP has implemented the following processes, policies and practices to assess and address any potential and identified Modern Slavery risks.

MODERN SLAVERY COMMITTEE

As mentioned in Section 3 above, DTAuP set up a committee in 2022 to implement further actions in relation to not only identifying, but assessing and addressing Modern Slavery. This committee collectively manages modern slavery risks that are identified, and further collaborate to find ways to reduce DTAuP’s exposure to modern slavery risks.

PROCUREMENT

All new suppliers, as well as continuing suppliers, are subject to our due diligence process.



Supplier Welcome Pack

After a major/on-going supplier passes the compulsory integrity check outlined in Section 3 of this statement, they are issued with a ‘Supplier Welcome Pack’. This pack contains information regarding the Daimler Truck Group’s Code of Conduct (further information below), Business Partner Standards (as referenced above) and our General Purchasing Terms and Conditions.

General Purchasing Terms and Conditions

Supplier engagement is generally governed by our General Purchasing Terms and Conditions, available at: <https://www.daimlertruck.com.au/siteassets/general-purchasing-terms-and-conditions—dtaup-and-dtfs-apr24—copy.pdf>.

This document contains a clause requiring the supplier not to engage in Modern Slavery and/or child and forced labour. At the time of publication of this statement, Suppliers are required to warrant that they:

FY23. The data presented is based on figures applicable on 31 December 2023, unless specified otherwise.

- 1 Will **NOT ENGAGE IN MODERN SLAVERY** in performing the services;
- 2 **DO NOT PROCURE GOODS OR SERVICES** from organisations *that engage in, or are reasonably believed to engage in, Modern Slavery*;
- 3 Will *implement appropriate measures* to **CONTINUOUSLY IDENTIFY, ASSESS AND ADDRESS RISKS** of Modern Slavery in their supply chains; and
- 4 Will **PROMPTLY NOTIFY US** if they become *aware of suspected or actual Modern Slavery* in their supply chains, in which case they will **TAKE ALL REASONABLE STEPS TO PROPERLY ASSESS AND ADDRESS** the actual or suspected Modern Slavery to our reasonable satisfaction; and
- 5 Will place **SIMILAR CONTRACTUAL OBLIGATIONS** on their own suppliers and subcontractors.

Similar warranties have also been included in our standard form supplier agreement and tender documentation and process to ensure that any new suppliers and relationships align with the Business Partner Standards.

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The Supplier Welcome Pack and our contractual clauses relating to Modern Slavery are continuously reviewed and updated to ensure they meet legal and regulatory requirements and to ensure the latest regulations and expectations of DTAuP are reflected.

Daimler Truck Special Terms (“DTST”)

Daimler Truck has enshrined the DTST into regular practice across the Daimler Truck Group, whereby they must be implemented by DTAuP and form part of our contracts with our suppliers. The DTST define the standards and criteria that Daimler Truck’s suppliers must meet, including the prohibition of child labour and forced labour. The supplier must commit that no exploitative child labour is or was involved in producing the products or services to be delivered to or used by the relevant Daimler Truck entity. The DTST further mandates that a supplier must not employ anyone against their will or force them to work, and that employees must be free to leave their employment with the supplier on provision of reasonable notice.

DTST provides DTAuP with audit rights to confirm a supplier’s compliance with their Modern Slavery obligations.

DAIMLER TRUCK GROUP POLICIES & TRAINING

Daimler Truck Code of Conduct

The Code of Conduct (“**Code**”) available to view at: https://www.daimlertruck.com/fileadmin/user_upload/documents/company/compliance/Daimler-Truck-Code-of-Conduct-english.pdf, was enacted by Daimler AG worldwide in November 2003, adopted by Daimler Truck from December 2021 following the global restructure of companies and most recently updated in April 2024.

The Code covers all laws and regulations related to our business as well as providing a guideline for corporate principles and behaviour. The Code includes guidelines on:

- respect for human rights;
- environmental protection;
- protection of personal data;
- maintaining appropriate relationships with government officials and suppliers;
- protection of company assets; and
- corporate social responsibility.

Whistleblowing Policy

The Whistleblower System was established by Daimler AG in 2006 and adopted by Daimler Truck from December 2021 following the global restructure of companies.

In addition, as mandated by section 1317AI of the *Corporations Act 2001* (Cth) (“**Corporations Act**”), DTAuP has a policy outlining the protections that will be afforded to employees, directors and/or suppliers who report serious wrongdoing at DTAuP in accordance with Part 9.4AAA of the Corporations Act.

The Whistleblowing Policy supports employees and third parties reporting concerns regarding unethical or illegal conduct, including in relation to Modern Slavery.

Employees may elect to report violations to their manager or HR, or if they wish to remain anonymous, employees and external whistleblowers are able to report via mail, phone or online utilising the SpeakUp whistleblowing platform (“SpeakUp”).

After receipt of the report, the SpeakUp team conducts an initial risk-based assessment of the potential violation. For all high risk reports to SpeakUp, an initial legal review of the report is carried out. If the review finds that the suspicions are substantiated, the case is assigned to the appropriate Daimler Truck investigative unit with specific orders to conduct an investigation into and report on the matter.

All staff training on the Code

Every DTAuP employee must complete a compulsory e-Learning module on the Code (which includes a Human Rights chapter) once every three (3) years.

In addition, every DTAuP employee must sign a confirmation that they will comply with the Code before commencing their employment.

New starter training on Modern Slavery

Every new DTAuP employee is scheduled into an induction day which includes a section to alert them of Modern Slavery more broadly and the Modern Slavery Reporting Process that can also be found on the internal social intranet site.

Specialised training for Procurement Team

The ‘front-line’ nature of the work of our procurement team makes them one of the most important layers of protection for DTAuP in assessing the risk of Modern Slavery to our business. As such, we recognise the need to educate and empower our team to identify risks or instances of Modern Slavery and take the actions required to assess and/or escalate these findings appropriately.

We provided our Procurement team with an inaugural tailored training on Modern Slavery risk identification and due diligence processes in 2020. The training covered the following:

- an **OVERVIEW OF MODERN SLAVERY** and the forms this can take;
- the **NEW LEGISLATION** and **MANDATORY REPORTING CRITERIA** in Australia;
- a snapshot of our **CORE MANUFACTURER PARENT COMPANY INITIATIVES** in Germany, North America and Japan;
- GENERAL UPDATES** to **internal documents** and **supplier terms**; and
- the **ESCALATION PROCESS** if any Modern Slavery risks are **identified**

General training for top executives of DTAuP

Outside of the procurement team, DTAuP also saw the need for the executive management team and senior managers of DTAUP to be aware of the risks of Modern Slavery to our business. Accordingly, initial executive training was completed in 2021 to coincide with the commencement of the modern slavery legislative requirements, in order to educate and empower the group to identify risks or instances of Modern Slavery and take the actions required to assess and/or escalate these findings appropriately. Furthermore, targeted executive employee awareness on the risks of Modern Slavery to our business is ongoing. It was then those senior employees' responsibility to ensure their teams also were aware of Modern Slavery risks and the reporting process that has been implemented which applies to all employees.

Section 5. How we assess the effectiveness of those actions taken

DTAuP and the Daimler Truck Group take a multifaceted approach to mitigating the risks of Modern Slavery within our supply chains. Some of the ways we assess the effectiveness of those actions are outlined below.

HRCMS effectiveness testing of measures

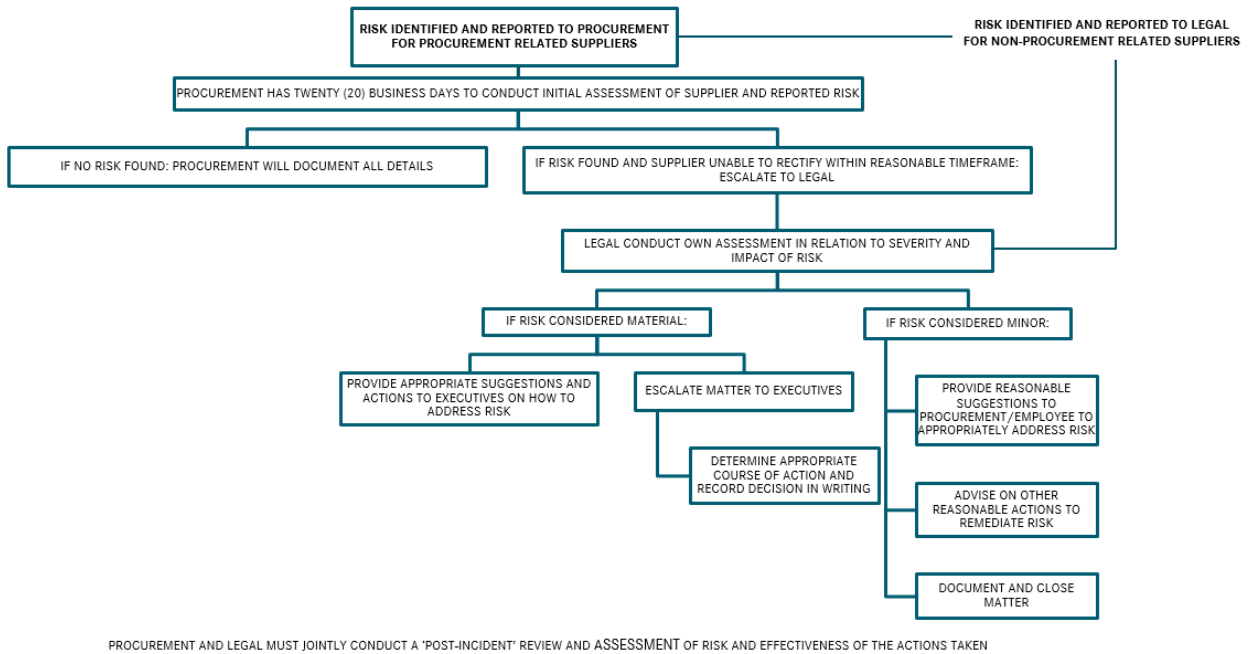
Part of the HRCMS involves effectiveness testing of the human rights measures assigned to entities within the Daimler Truck Group. This effectiveness testing is completed annually across the Daimler Truck Group as part of the HRCMS.

Additional Modern Slavery Risk Reporting at a local level

Outside of the HRCMS process, DTAuP has implemented a Modern Slavery Risk Reporting process and conducts active and ongoing reviews of every Questionnaire response we receive from a supplier as part of new Vendor creation process.

DTAuP is committed to investigating, assessing, and appropriately handling Modern Slavery risks within its business, including any infiltration through its supply chain. Our Modern Slavery Risk Reporting Process has been developed to provide a uniform understanding on what constitutes a Modern Slavery risk and the process for reporting and handling such risks.

At a high level, the process is as follows:



Section 6. Our strategy for the future

At the time of drafting this Statement, DTAuP’s priorities for the 2023 reporting period include the following initiatives (some of which are continuing initiatives from this reporting period):

- further engagement of the internal Modern Slavery Committee in developing new initiatives to manage modern slavery risks across the business;
- raising further awareness by providing an overview of modern slavery to all new starter employees as part of induction training delivered by the legal team quarterly;
- ongoing monitoring of internal policies and procedures to manage modern slavery risks;
- continuing to send supplier questionnaires to identify and assess modern slavery risks; and
- completing annual HRCMS (as mentioned in Section 3) for local entities.