

CAR Group Ltd

Modern Slavery Statement FY24

December 2024



Message from the Chair and CEO



Pat O'Sullivan
Non-Executive Chair
CAR Group Ltd



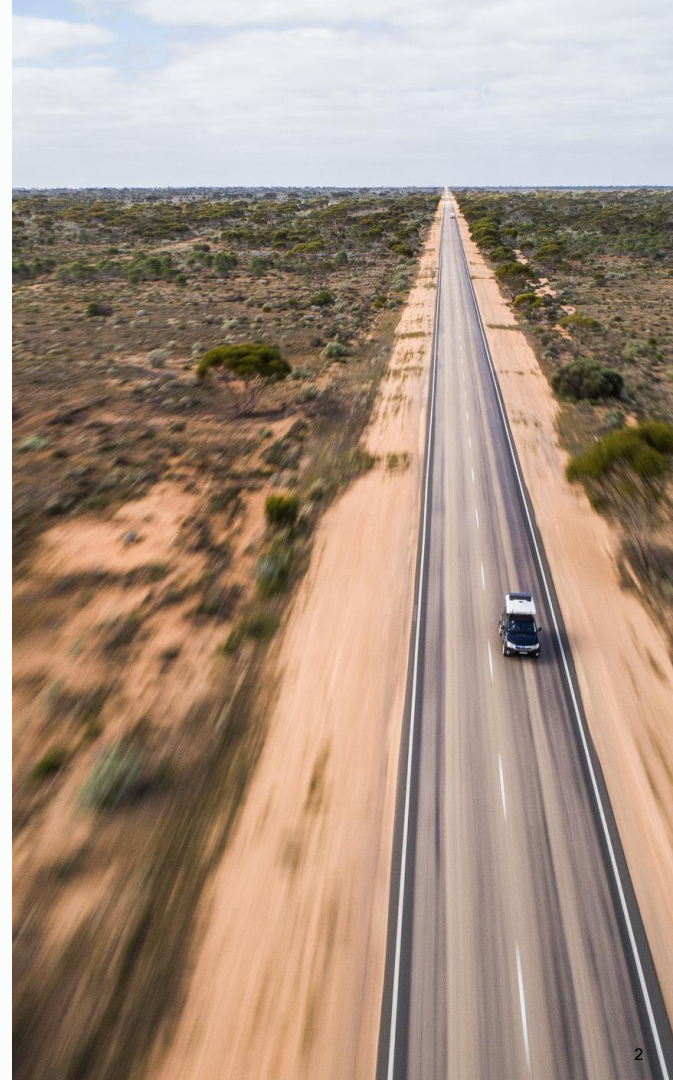
Cameron McIntyre
Chief Executive Officer
CAR Group Ltd

We are pleased to present CAR Group Ltd's (**CAR Group**) FY24 Modern Slavery Statement. This Statement, which is CAR Group's fifth under the *Modern Slavery Act 2018* (Cth), outlines our progress over the past twelve months to manage and mitigate the risks of modern slavery in our operations and supply chains.

In FY24, we built on our progress in previous years, by continuing to refine our approach to mitigating modern slavery across CAR Group, as detailed in this Statement.

Modern slavery is a challenging and complex issue. As a large organisation, CAR Group has a responsibility to take steps to address this issue.

We appreciate that there is always more we can do in this space, and we are committed to continuing to refine our approach to mitigating modern slavery risks into FY25 and beyond.



Contents

Act reference	Requirement	Statement page reference
s. 16(a)	Identification of the reporting entity.	PART A - REPORTING ENTITY STRUCTURE, OPERATIONS AND SUPPLY CHAINS (pp 4 - 14)
s. 16(b)	Description of the structure, operations and supply chains of the reporting entity.	About CAR Group Ltd (p 5) Overview of our operations (p 6) Overview of our supply chains (p 7) Overview of our corporate governance structure (p 8) Our governance framework (pp 9-13) Our approach to sustainability (p 14)
s. 16(c)	Description of the risks of modern slavery practices in the operations and supply chains of the reporting entity, and its controlled entities.	PART B - RISKS IN OUR OPERATIONS AND SUPPLY CHAINS (pp 15-20) Risks in our operations (p 16) Risks in our supply chains (p 17) How we identify risks in our supply chains (pp 18-19) Insights about supply chain risks from FY24 (p 20)
s. 16(d)	Description of the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	PART C - ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS (pp 21-26) Training program overview (pp 22-23) Addressing supply chain risks (pp 24-25) Remediation activities (p 26)
s. 16(e)	Describe how the reporting entity assesses the effectiveness of such actions.	PART D - ASSESSING OUR EFFECTIVENESS (pp 27-32) How we measure effectiveness (p 28) Key performance indicators (p 29) Assessing achievement of our FY24 goals (p 30) Assessing our performance through consultation (p 31) Goals for FY25 (p 32)
s. 16(f)	Description of the process of consultation with any entities that the reporting entity owns or controls.	PART E - CONSULTATION PROCESS AND APPROVAL (pp 33-34) Consultation process and approval (p 34)
s. 16(g)	Other information that the reporting entity considers relevant.	Additional details have been provided throughout the Statement.

Part A

REPORTING ENTITY STRUCTURE, OPERATIONS AND SUPPLY CHAINS

About CAR Group Ltd

About CAR Group Ltd

CAR Group has been driving innovation and growth since the 1990s. Collectively, our world leading marketplaces bring together deep expertise powered by the best people, data, and technology across Oceania, Asia and The Americas. With a vision to create #1 digital marketplaces for vehicles around the world, we transform how people buy and sell vehicles across the globe. CAR Group delivers world leading technology and advertising solutions designed to make buying and selling a great experience, with digital marketplace businesses in Australia (carsales), North America (Trader Interactive), Brazil (webmotors), South Korea (Encar) and Chile (chileautos).

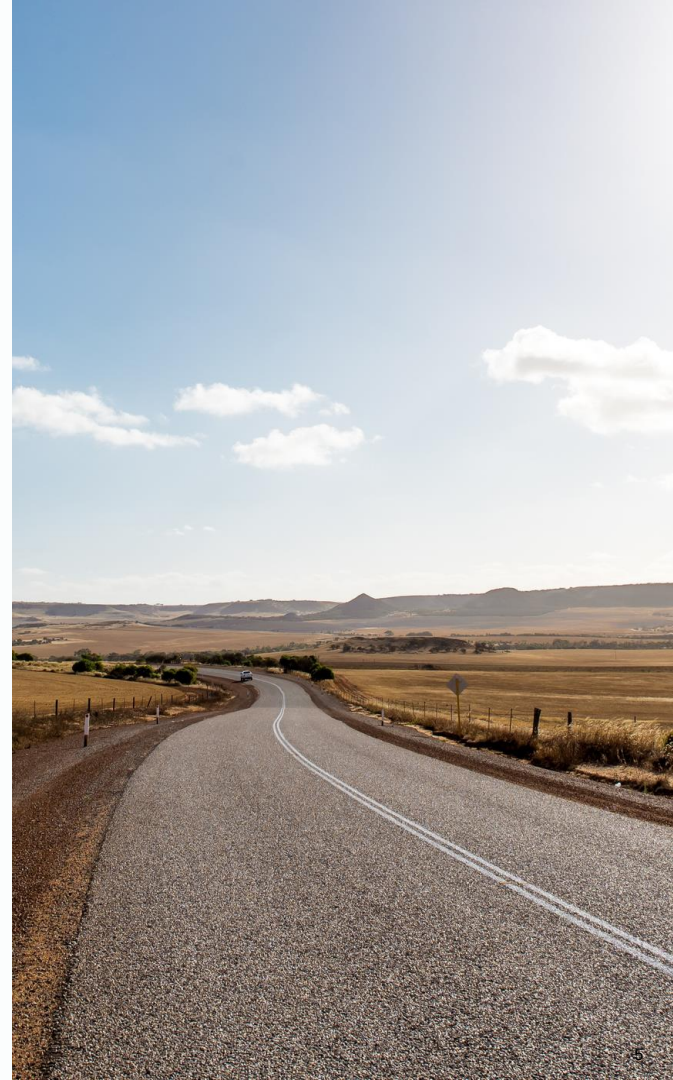
CAR Group's controlled entities

CAR Group controls a range of entities in Australia and overseas. These entities are listed on pages 67 and 68 of CAR Group's [FY24 Annual Report](#).

About this Modern Slavery Statement

This FY24 Modern Slavery Statement complements CAR Group's Sustainability Report 2024, Sustainability Databook, Annual Report, Corporate Governance Statement, Governance Charters, Corporate Policies and other key governance reports which are available on our shareholder website: www.cargroup.com.

Questions about this FY24 Modern Slavery Statement should be addressed to our Modern Slavery Team: modernslavery@carsales.com.au.



Overview of our operations

Key Brand	Key Area	Description	Business Model
	Dealer	Dealer vehicle listing	Subscription and pay per lead
	Private	Private seller listings	Pay up-front until sold
	Media	Digital advertising on websites	Cost per view
	Data, research and services	Vehicle specification data	Periodic subscription
	Dealer marketplace	Dealer vehicle listing	Monthly subscription based on inventory
	Private	Private seller listing	Pay up-front until sold
 	Dealer	Dealer vehicle listing	Pay per lead
	Finance	Finance application on vehicle ads	Up-front commission on loan commencement
	Private	Private seller listings	Pay up-front until sold
	Media	Digital advertising on websites	Cost per view
	Standard ads	Dealer vehicle listing	Pay up-front until sold
	Guarantee	Encar inspects and certifies car	Pay per car inspected
	Dealer direct	Digital trade-in	24hr dealer auction, winning dealer pays
	Media	Digital advertising on websites	Cost per view

CAR Group is one of the largest online vehicle marketplace businesses in the world. Key aspects of our operations include:

- online marketplaces for both dealers and private seller listings;
- online advertising services, including display advertising; and
- data, research and other complementary services, such as software, research and reporting, valuations, appraisals, website development and hosting, and photography services.

Our core businesses operate in Australia, the United States, Brazil, Chile and South Korea. Key activities of these businesses are described on the left. More information about CAR Group's operations is included in Part B of this Statement and further described in our [FY24 Annual Report](#).

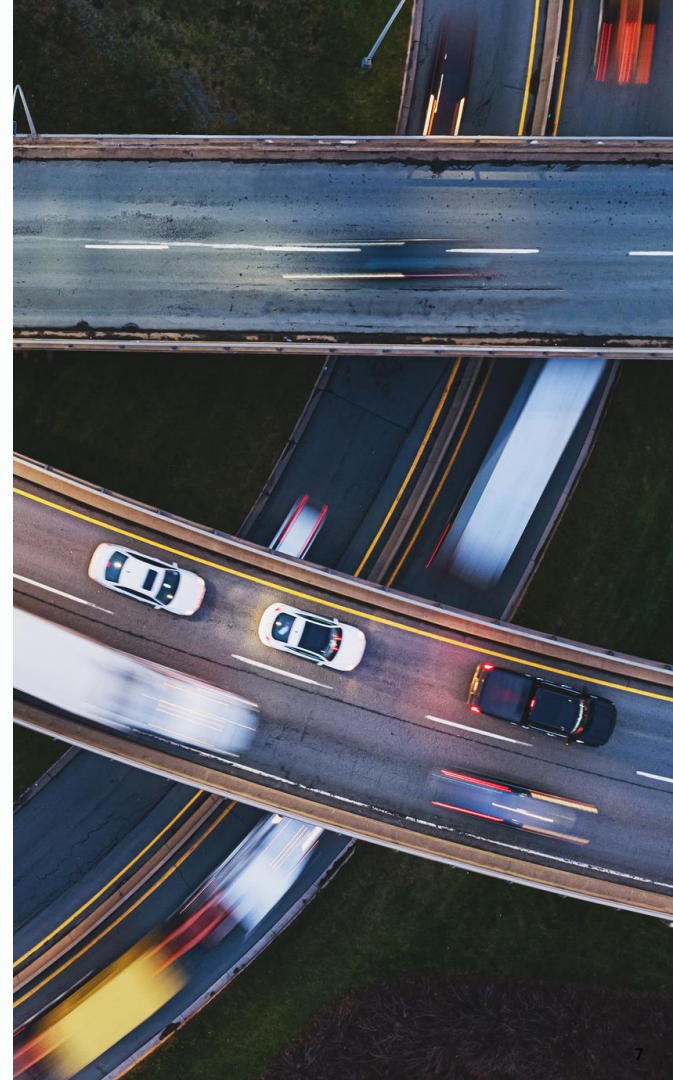


Overview of our supply chains

The nature of our supply chains in FY24 remained similar to previous years. We engaged suppliers primarily to provide products and services that fell into the following categories:

- **Technology** e.g. software licenses, hardware, cloud-based services and digital infrastructure.
- **Marketing** e.g. events, sponsorships, advertising and merchandise.
- **Professional services** e.g. consulting, specialist contractors and administrative support.
- **Facilities** e.g. office rent, capital improvements and facilities management.
- **Tyres** e.g. tyres from a range of vendors to support our tyresales and TyreConnect businesses.
- **Travel** e.g. airfares, accommodation, and transportation.

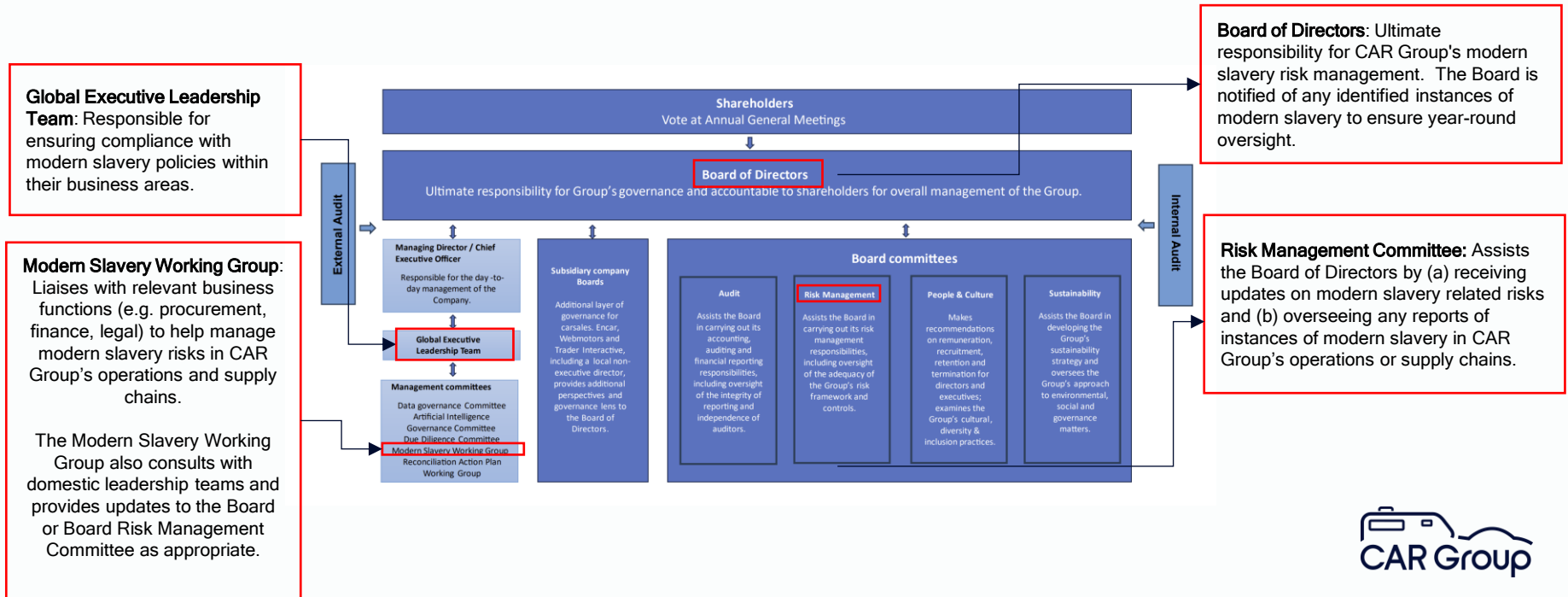
As in previous years, in FY24 a significant portion of our spending was directed towards large multinational companies, providing relatively low risk products/services from lower risk countries. Nevertheless, we recognise that our direct suppliers often have their own suppliers (tier 2), who in turn have their own suppliers (tier 3), creating a large and complex supply chain footprint for CAR Group.



Overview of our corporate governance structure

As a global organisation, our governance framework is key to our success. Having robust policies, systems, leadership, and training in place are vital elements of our effective governance framework which manages strategic, operational, reputational and financial risks – including modern slavery risks. More details about our corporate governance arrangements are described in our [FY24 Corporate Governance Statement](#).

Elements of our corporate governance structure that play key roles in our modern slavery compliance program are identified below.



Our governance framework - Overview (1/2)

Our governance framework as it relates to modern slavery is underpinned by the following key documents:

- **Modern Slavery Policy:** Our Modern Slavery Policy is an overarching governance document that ties together our other related policies. It also sets out operational processes and procedures relevant to modern slavery, and is described in more detail on the next page.
- **Global Code of Conduct:** Our Global Code of Conduct applies to our officeholders, employees and contractors. It prescribes high standards of behaviour, reflecting both legal obligations and stakeholder expectations, and is described in more detail on page 12 of this Statement.
- **Supplier Code of Conduct:** Suppliers are expected to adhere to our Supplier Code of Conduct, which sets out required standards and behaviours for suppliers - including respect for human rights and the avoidance of modern slavery in suppliers' own supply chains. Our Supplier Code of Conduct is described in more detail on page 13 of this Statement.
- **Human Rights Policy:** We are committed to respecting human rights and complying with all laws in the countries in which we operate. Our Human Rights Policy reflects our commitment to the ten principles of the United Nations Global Compact regarding human rights, labour, environment and anti-corruption.
- **Global Whistleblowing Policy:** Our Global Whistleblowing Policy is designed to provide a mechanism for employees and stakeholders to report concerns, such as unethical behaviour, illegal activities, or violations of company policies, without fear of retaliation. Our whistleblower hotline is operated by an independent party to encourage disclosure in a confidential manner.

Our governance framework - Overview (2/2)

Key documents (cont.):

- **Procurement Framework:** Our Procurement Framework facilitates the integration of modern slavery risk controls in our procurement operations. For example, for CAR Group's Australian entities, suppliers are asked to complete our supplier questionnaire and accept our Supplier Code of Conduct as part of our supplier onboarding process.
- **Risk Management Policy:** Our Risk Management Policy details how we identify, assess and manage various types of risks to protect our operations and stakeholders. The policy defines responsibilities, risk assessment methods, mitigation strategies, and compliance measures to facilitate effective risk management.

Policy governance arrangements:

- **Communication to stakeholders:** Internal policies and procedures are made available to CAR Group personnel via the corporate intranet. External policies are publicly available on the [CAR Group investor website](#). Our policies also form part of the induction process for employees globally across CAR Group.
- **Training:** CAR Group personnel are required to complete induction training, which includes training about key policies, as well as regular refresher training.
- **Review cycle:** Policies have nominated review dates and are also updated as required (e.g. to align with business changes or legislative changes).

Governance framework - Modern Slavery Policy

Since our first Modern Slavery Statement in FY20, we have developed a range of processes to help manage modern slavery risks in our operations and supply chains.

Our overarching Modern Slavery Policy formalises these processes and promotes consistency and awareness across CAR Group. For example, our Modern Slavery Policy includes details about:

- requirements for onboarding new suppliers, including supplier questionnaire processes;
- a methodology for assessing modern slavery risks;
- management of identified modern slavery risks in our supply chains;
- remediation arrangements for identified modern slavery incidents; and
- modern slavery awareness training expectations for internal and external stakeholders.

Governance framework - Global Code of Conduct

- Our Global Code of Conduct contains a set of ethical guidelines and principles which guide our behaviour and the interactions of our personnel across the globe. It serves as a framework for ensuring consistency in decision-making across diverse cultural and geographical contexts. This Code of Conduct helps maintain the reputation of our businesses, promote ethical practices, and comply with legal requirements on a global level.
- Our Global Code of Conduct outlines principles which assist us to address modern slavery risks such as:
 - acting in accordance with the highest ethical standards;
 - respecting and abiding by all laws both domestically and internationally;
 - complying with all local and global company policies, procedures and guidelines, which address issues such as work hours and employment conditions;
 - outlining a zero-tolerance approach to unlawful discrimination, harassment of any kind, violence and offensive conduct;
 - providing a healthy and safe environment for all employees, contractors and visitors; and
 - valuing and acting to embrace and respect diversity.
- Our Global Code of Conduct is published online [here](#).

Governance framework - Supplier Code of Conduct

- Our Supplier Code of Conduct (**Code**) outlines the ethical, social, environmental, and business standards that we require of our suppliers when conducting business with us. The purpose of the Code is to ensure that suppliers align with our values and expectations, and promote responsible and ethical business practices, including through the supplier's own supply chains.
- Our Code was first developed to reflect the *Responsible Business Alliance Code of Conduct*, which was prepared with reference to international norms and standards including the Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises and ISO and SA standards.
- Our Code sets out a range of principles relating to modern slavery risk mitigation. It seeks commitments from suppliers that:
 - human rights of workers will be upheld;
 - they comply with applicable laws regarding labour practices and human rights;
 - there are no unreasonable restrictions on workers' freedom of movement;
 - their personnel will not be required to surrender government issued identification, passports or work permits as a condition of employment;
 - working hours do not exceed the maximum set by law;
 - all wages and benefits comply with applicable awards and laws; and
 - there is no harsh or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers - nor is there the threat of any such treatment.
- Australian entities in the CAR Group utilise this [Supplier Code of Conduct](#). Some international CAR Group entities utilise their own Codes of Conduct appropriate to their local operating environment (e.g. in the local language) but which contain similar core provisions.



Our approach to sustainability

At CAR Group, sustainability is about creating value in the long term by managing our risks and opportunities and understanding the interests and concerns of our key stakeholders.

Our success in remaining a leader in the long term lies in embedding sustainable business practices across our value chain. Our sustainability approach is driven by who we are and what we stand for. It is grounded in understanding the ESG topics of importance to, and which impact, our stakeholders. We take care to balance these ESG issues with our business goals and operations. Our sustainability strategy is driven by our mission to operate a sustainable business that future generations will be proud of, and centres around four pillars:

- Our People
- Our Customers
- Our Impact
- Our Business Practices

In FY24 we updated our sustainability strategy following the completion of our second materiality assessment to reflect the growth in our global operations and changing ESG landscape. More details about our approach to sustainability are set out in our [FY24 Sustainability Report](#).



Morningstar Sustainalytics ESG Risk Ratings provide a multi-dimensional assessment of a company's exposure to industry-specific material ESG risks and its management of those risks - including risks relevant to modern slavery (such as social supply chain standards). CAR Group is currently classified as low risk of experiencing material financial impacts from ESG factors, placing us in the 21st percentile for our industry (Software & Services) and the 9th percentile for our sub-industry (Internet Software & Services).



Part B

RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

Risks in our operations

Operational risk profile

Our core business activity of creating digital marketplaces generally presents low operational modern slavery risks. We employ a highly skilled and professional workforce, with direct employment constituting the majority of our total operating costs. Detailed statistics about our workforce are published in our [FY24 Sustainability Databook](#), under the 'People' tab.

Our business operations are based in the following key jurisdictions, which all fall into the lower end of jurisdictional risk, based on the *Global Slavery Index 2023* country vulnerability scores[^]:

- Australia (Country risk rating: 7)
- USA (Country risk rating: 25)
- South Korea (Country risk rating: 29)
- Brazil (Country risk rating: 47)
- Chile (Country risk rating: 22)

Some elements of our operational risk profile have changed in recent years, such as no longer providing certain services that were identified as presenting a higher modern slavery risk. For example, CAR Group no longer provides COVID-19-related vehicle cleaning and sanitization services, which exposed us to increased modern slavery risks that are inherent in the cleaning and maintenance industries.



[^] Vulnerability score of each country, from the Global Slavery Index 2023, Minderoo Foundation, available from globalslaveryindex.org.

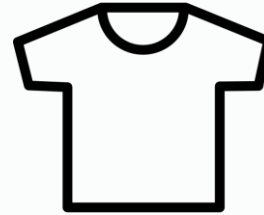
Risks in our supply chains

As a predominantly online services business, CAR Group's supply chains present a lower modern slavery risk profile than many similar sized businesses in other sectors. Nevertheless, some aspects of our supply chains have been identified as presenting heightened risks of modern slavery, including the procurement of:



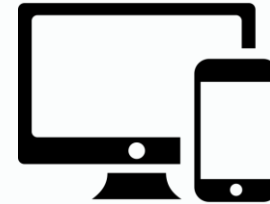
Tyres

Tyres are a key input of our tyre businesses (tyresales and tyreconnect). The production of raw materials such as rubber has been linked to forced labour and presents elevated modern slavery risks.¹



Merchandise

As a leading consumer brand, CAR Group purchases merchandise such as t-shirts and other apparel. Garments and cotton are both considered to present high modern slavery risks.²



Computer hardware

We purchase computers, hardware and other electronics to support our business operations. Electronics have been identified as presenting a high modern slavery risk.³



Facility operations and support services

To support the operations of our offices and facilities, we rely on support services such as cleaning, hospitality, security, and maintenance. Industries such as cleaning have been associated with underpayments, withholding of wages and excessive working hours, resulting in a higher modern slavery risk.⁴

¹ Walk Free 2023, The Global Slavery Index 2023, Minderoo Foundation. Available from <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>, p 176.

² Ibid, page 254.

³ Ibid.

⁴ Australasian Centre for Corporate Responsibility, Cleaning up their Act? Modern Slavery Due Diligence in the Australian Property Sector. Available from: <https://www.accr.org.au/downloads/2021-06-15-accr-cleaning-up-their-act.pdf>.

Identifying supply chain risks (1/2)

Supplier questionnaire

The online supplier questionnaire used by our Australian businesses provides insight into our suppliers, facilitates risk assessments, and helps us make informed decisions. Responses to our questionnaire are automatically assessed by our supplier screening tool. The screening tool assigns each supplier a risk rating based on the responses provided to the questionnaire. Where a supplier is calculated to present a modern slavery risk, the matter is sent to our Modern Slavery Working Group for further consideration.

Our supplier questionnaire elicits information from suppliers about a range of issues, such as details about the supplier's:

- corporate structure;
- country of operation (assessed against the *Global Slavery Index 2023* country vulnerability scores);
- category of product or service to be supplied to CAR Group (with a view to determining whether the product/service falls into one of our higher risk categories - such as electronics, garments, labour hire services, professional services provided from outside of Australia, raw materials, office services (eg catering/security/maintenance/cleaning), textiles, transportation, shipping or tyres;
- existing modern slavery compliance program (e.g. whether the supplier has lodged a Modern Slavery Statement in Australia or under a comparable international law);
- reliance on subcontractors and upstream suppliers;
- history of modern slavery incidents in its operations and supply chains; and
- reliance on low-skilled foreign or domestic migrant workers.



Identifying supply chain risks (2/2)

Screening processes by our global businesses

We aspire to adopt a globally consistent approach to supply chain modern slavery risk management. However, at this stage some global subsidiaries operate separate supplier onboarding and questionnaire processes, including because of:

- decentralised procurement processes across some parts of CAR Group;
- legacy systems and processes;
- language and cultural barriers necessitating location and language-specific onboarding materials; and
- different levels of familiarity with modern slavery due diligence processes in operating locations where there is no comparable domestic modern slavery legislation.

We have adopted a principles-based approach where all questionnaires across CAR Group are intended to address the same core issues, whilst allowing for regional variations. This allows subsidiary entities to adopt processes that are appropriate to their local operating environment, whilst also ensuring that CAR Group mitigates the risks of modern slavery in its operations and supply chains globally.

Process where suppliers do not complete a supplier questionnaire

Whilst our supplier questionnaire is the primary means of assessing modern slavery risks posed by suppliers, it is not always possible to mandate the completion of a questionnaire. In such circumstances, if we opt to continue to engage with the supplier, we may use other methods to assess the supplier's modern slavery risks, such as:

- the overall risk profile of the supplier based on the nature of the engagement, the location of the supplier, and the types of goods or services to be provided;
- the supplier's published modern slavery statement or other relevant policy documents (if applicable);
- other publicly available information about the supplier; and/or
- informal discussions with the supplier about its approach to modern slavery.



Insights about supply chain risks from FY24



Acceptance of CAR Group's Supplier Code of Conduct: In FY24, 90% of supplier questionnaire respondents agreed to comply with CAR Group's Supplier Code of Conduct. This continues the downward trend seen in the past few years (FY21: 97%; FY22: 95%; FY23: 93%; FY24: 90%). This trend is attributable to larger vendors increasingly not agreeing to be bound by third party codes of conduct in circumstances where the vendor has its own similar code. In such circumstances, we review the supplier's own Code of Conduct to consider if it addresses similar issues to CAR Group's Code of Conduct. If it does so, we consider this to be sufficient.



Primary country of operation: In FY24, suppliers to CAR Group were primarily operating from Australia, NZ, UK, USA, Japan, Taiwan, South Korea, Canada or member states of the EU or EEA (FY24: 89%). Of suppliers that were not operating from one of these jurisdictions, none of the suppliers who completed a supplier questionnaire were identified as operating from a country presenting a very high level of modern slavery risks (ie - none of the suppliers primarily operated from a country with a vulnerability score that would place it in the riskier half of the Global Slavery Index 2023 country list).



Modern slavery reporting entities: In FY24, 33% of supplier questionnaire respondents stated that they submitted their own modern slavery statement (either under the *Modern Slavery Act 2018* (Cth), or comparable foreign law). This continues the upward trend seen since FY21 (17%). This figure reflects that CAR Group onboarded a larger number of suppliers with more sophisticated approaches to modern slavery in FY24.



Nature of products/services provided: In FY24, 73% of suppliers provided products or services to CAR Group that did not fall into any of our higher risk categories (listed on page 17). These suppliers typically provided software, cloud services and local professional services.



Identified instances of modern slavery: Consistent with previous years, suppliers continued to report that they had not identified any modern slavery incidents in their operations or supply chains (FY21:0%; FY22: 0%; FY23: 0%; FY24: 0%).



Part C

ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

Training program overview (1/2)

We recognise that it is important to train our personnel to help ensure that modern slavery risks are appropriately identified, managed and remediated. Our internal training program includes:

- selected staff (including senior leadership and key personnel regularly involved in procurement) completing modern slavery awareness training;
- the Modern Slavery Working Group consulting with specific business units to provide advice and guidance about CAR Group's processes and procedures relating to modern slavery;
- staff across CAR Group being provided with details of relevant policies upon commencement of employment (such as our Modern Slavery Policy, Global Code of Conduct and Global Whistleblowing Policy);
- making modern slavery training materials and background materials electronically available to staff;
- conducting tabletop exercises to consider how CAR Group would handle hypothetical modern slavery incidents; and
- providing other related training sessions (for example, relating to our Procurement Framework) which include details about modern slavery compliance.

In addition to our internal training program, we also:

- offer modern slavery training material and support to suppliers that complete our supplier questionnaire; and
- proactively seek completion of training material by some suppliers identified as being high risk.



Training program overview (2/2)

Our training program includes general background information about modern slavery, together with CAR Group-specific training.

Our general awareness training addresses a range of topics, including:

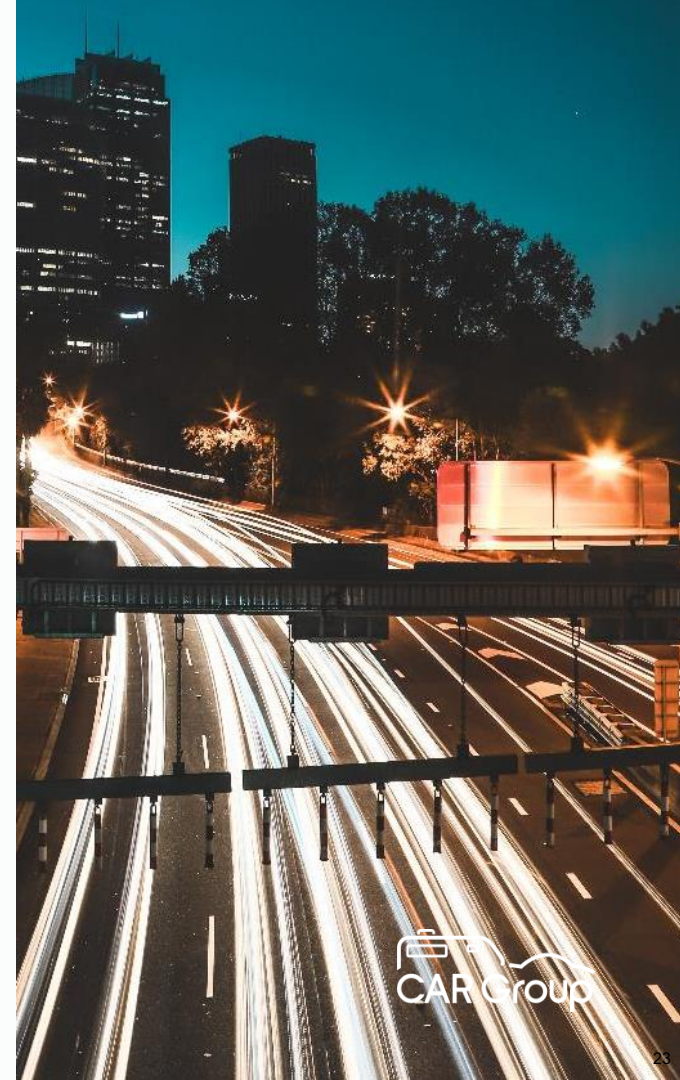
- the prevalence of modern slavery;
- types of modern slavery;
- warning signs indicative of modern slavery;
- how supply chains present modern slavery risks; and
- a range of case studies about types of modern slavery issues that could affect a company such as CAR Group.

Additionally, our CAR Group-specific training has been developed in conjunction with a specialist external training provider, to provide information about modern slavery risks and processes that are specific to CAR Group. This new training module addresses a range of topics, including:

- risk factors that are specific to CAR Group's operations and supply chains;
- operational requirements of CAR Group's Modern Slavery Policy; and
- procedures for identifying and managing modern slavery risks.

Our formal training program is augmented by formal and informal live sessions run by the Modern Slavery Working Group from time to time. In FY24, this included a Modern Slavery Working Group member presenting to the CAR Group Risk Management Team about modern slavery issues.

Since our last Statement, we have also conducted a modern slavery tabletop exercise with members of CAR Group's Modern Slavery Working Group, Risk Team, Legal Team and Corporate Affairs Team. This exercise involved considering a range of hypothetical scenarios, with discussion about how CAR Group would identify, assess and remediate different types of modern slavery incidents in its operations and supply chains.



Addressing supply chain risks (1/2)

Where practical, we seek the following contractual commitments from our suppliers:

Contractual Commitments



Notification

Suppliers must notify us of any actual or suspected instances of modern slavery in their supply chains.



Audit

Suppliers must provide us with reasonable access to their records and premises.



Record keeping

Suppliers must keep sufficient records to enable CAR Group to verify the source of any goods or services supplied.



Training

Suppliers must cooperate with us to facilitate training of their employees and sub-suppliers.



Acceptance of CAR Group's Supplier Code of Conduct

Suppliers must agree to adhere to the CAR Group [Supplier Code of Conduct](#), which sets out CAR Group's expectations regarding supplier conduct.

Addressing supply chain risks (2/2)

We seek to positively engage with our suppliers to help identify and mitigate modern slavery risks. Where serious and unmitigated modern slavery risks are identified, we consider appropriate risk mitigation activities such as:

- requiring the supplier to rectify risks before the engagement commences;
- restricting the scope of engagement;
- enhanced surveillance and audits;
- conducting a deeper analysis of the relevant tier two suppliers;
- seeking additional contractual assurances;
- requiring the supplier to undergo training; and/or
- discussing our concerns with the supplier.

Where modern slavery risks cannot be reasonably mitigated or managed, we will endeavour to engage an alternative supplier and/or terminate an existing supplier relationship.

We have also set up a dedicated modern slavery contact point for suppliers to be able to contact us with any questions or issues regarding modern slavery.

Remediation activities

No instances of modern slavery were identified in our operations or supply chains in FY24, so no remediation activities were required to be carried out.

However, we acknowledge that businesses that have caused or contributed to modern slavery should provide for, or cooperate in, the remediation of that impact.

Where a modern slavery incident is identified, we would consider the extent to which remediation is appropriate, by reference to factors such as:

- the extent to which CAR Group has caused or contributed to the incident;
- options for remediation; and
- the extent to which CAR Group can work with its clients, suppliers or other relevant stakeholders to achieve remediation.

The need to consider appropriate remediation actions have been formalised in the incident handling processes of our Modern Slavery Policy.

Since our FY23 Statement, we have also carried out a tabletop modern slavery exercise, which included consideration about appropriate remediation activities for a range of hypothetical modern slavery scenarios.

Part D

ASSESSING OUR EFFECTIVENESS

How we measure effectiveness

Measuring the effectiveness of our actions is key to our continuous improvement. We assess our effectiveness against our overarching modern slavery goals, which include:

- taking reasonable steps to mitigate the risk of modern slavery arising in our operations and supply chains;
- promptly and efficiently managing any reports of potential or actual modern slavery incidents; and
- ensuring our internal and external stakeholders are aligned with our vision and take tangible actions to address modern slavery risks.

Additionally, we seek to achieve our yearly goals described in our Modern Slavery Statements.

We track our progress towards achieving our goals using measures including:



quantitative KPIs (see the following pages)



qualitative assessments;



assessment against goals set in previous Modern Slavery Statements; and



consultation with feedback from internal and external stakeholders.

Additionally, in FY25, our Internal Audit team will review selected modern slavery controls to further help us assess our effectiveness.

Key performance indicators

KPI	FY21	FY22	FY23	FY24
Global				
Grievances KPI - Number of grievances submitted relating to modern slavery.	0	0	0	0
Modern slavery incidents KPI - Number of identified instances of modern slavery in CAR Group's operations or supply chains.	0	0	0	0
Remediation KPI - Number of identified modern slavery incidents that have involved remediation action by CAR Group.	0	0	0	0
Notified instances of modern slavery in supply chains KPI - Reported instances from suppliers of modern slavery in a supplier's operations or supply chains.	0	0	0	0
Australian operations				
Modern slavery training KPI - Percentage of employees who have been assigned modern slavery training that have completed that training. Training is considered valid for 12 months and must then be recompleted.	-	100%	100%	100%
Mandatory training KPI - Percentage of employees who have been assigned mandatory induction training that have completed that training (e.g. covering our Global Code of Conduct, Global Whistleblower Policy etc).	96%	98%	99%	99%
Code of Conduct KPI - Percentage of suppliers agreeing to comply with CAR Group's Supplier Code of Conduct.	97%	95%	93%	90%

Assessing achievement of our FY24 goals

Goals set in FY23	Description of progress since our FY23 Statement	Self-assessment of progress
<p>Goal 1: Continue to align newly acquired companies with CAR Group's modern slavery risk management arrangements</p>	<p>In FY23 we set the goal of reviewing and implementing modern slavery processes for newly acquired businesses to reflect the approach of CAR Group. During FY24, we continued this work for recently acquired entities. Activities included:</p> <ul style="list-style-type: none"> - requiring selected suppliers to newly acquired entities to complete supplier questionnaires to assess supply chain risk factors; - renegotiating selected existing contracts to incorporate modern slavery clauses; and - providing modern slavery training to selected personnel of newly acquired entities. <p>As a dynamic and acquisitive business, we will continue this work in FY25.</p>	<p>Significant achievement and ongoing.</p>
<p>Goal 2: Embed new Modern Slavery Policy</p>	<p>In FY23, we set the goal of embedding CAR Group's newly created Modern Slavery Policy. Since setting that goal, we have:</p> <ul style="list-style-type: none"> • worked with an external training specialist to develop a CAR Group modern slavery training module that reflects the requirements of our Modern Slavery Policy, and made this module available to selected staff. It will be further rolled out in FY25; • appointed a number of "Modern Slavery Champions" to promote modern slavery compliance activities in their areas of the business; and • conducted a desktop exercise to practice putting our Modern Slavery Policy into effect (see below). 	<p>Significant achievement and ongoing.</p>
<p>Goal 3: Further expand our training program</p>	<p>In FY24, we continued to expand our training program by:</p> <ul style="list-style-type: none"> • developing a new CAR Group Modern Slavery training unit to reflect our company-specific risks and procedures; • having a representative of our Modern Slavery Working Group present a session on modern slavery issues to the CAR Group Risk Management Committee; • continuing to offer modern slavery information and training material to our new suppliers; and • continuing to require nominated personnel to recomplete modern slavery training every 12 months in order for their knowledge to remain current. 	<p>Significant achievement and ongoing.</p>
<p>Goal 4: Tabletop exercise for managing modern slavery incidents</p>	<p>In FY23, we set the goal of conducting a modern slavery tabletop exercise. Since setting that goal, we have conducted a tabletop exercise with members of the Modern Slavery Working Group, Legal Team, Risk Team and Corporate Affairs Team, to consider how CAR Group would respond to different types of modern slavery incidents. We will continue performing these types of activities in the future.</p>	<p>Significant achievement and ongoing.</p>
<p>Goal 5: Continue to positively engage with our suppliers</p>	<p>In FY24, we continued to positively engage with existing and new suppliers about modern slavery issues. This included steps such as informal conversations with suppliers, offering to provide suppliers (especially smaller suppliers) with support to uplift their own modern slavery processes, and ensuring that suppliers understand CAR Group's expectations about the conduct of its suppliers. This is an ongoing process that will continue to be a goal into the future.</p>	<p>Significant achievement and ongoing.</p>

Assessing our effectiveness through consultation

In addition to goal setting and measuring KPIs, we measure effectiveness by consulting widely about modern slavery issues. Consultation includes:

Consultation with external consultants

- We received feedback about our FY23 Modern Slavery Statement from external parties (such as industry and academics), which provided valuable insights into our strengths and identified areas for improvement which will continue to be a focus in FY25.
- We received feedback about our training arrangements from an external training provider, who assisted us with the creation of our new CAR Group modern slavery training module.
- Our Modern Slavery Working Group members attended a number of training sessions about modern slavery issues run by external consultants, which helped inform our view of common industry practice.

Consultation with employees

- The Modern Slavery Working Group liaised with a range of business functions including our commercial, finance, risk and legal teams to obtain feedback about our modern slavery arrangements.

Consultation with our suppliers

- We regularly engaged our suppliers to discuss modern slavery issues and obtain feedback about our modern slavery processes.

Consultation across the CAR Group

- The Modern Slavery Working Group engages CAR Group's international subsidiary entities from time to time to seek feedback about modern slavery issues.



Goals for FY25

Goal for FY25	Details
<p>Goal 1: Targeted in-depth engagement with selected existing suppliers of higher risk products/services</p>	<p>In FY25, CAR Group will conduct a targeted review of selected ongoing suppliers that provide higher risk products or services (see page 17) - eg. office cleaners. The focus of this review will include:</p> <ul style="list-style-type: none"> • obtaining assurances that suppliers are meeting CAR Group standards, and any additional commitments made by the suppliers regarding modern slavery compliance measures when they were onboarded; • ensuring CAR Group has an active and ongoing dialogue with these suppliers about modern slavery issues; and • ensuring these suppliers have good knowledge of modern slavery issues, and providing support to help uplift their capabilities if it is found to be lacking.
<p>Goal 2: Internal review of selected controls</p>	<p>In FY25, our Internal Audit team will review selected key modern slavery controls to further help us measure our effectiveness and identify potential improvements.</p>
<p>Goal 3: Synergies with domestic and international CAR Group businesses</p>	<p>Whilst CAR Group operates a decentralized procurement model (see page 19), in FY25 the Modern Slavery Working Group will focus on exploring synergies across international subsidiaries to further improve processes and reporting data.</p>
<p>Goal 4: Tabletop exercise for managing modern slavery incidents</p>	<p>Building on the success of our previous tabletop exercise, in FY25 we will involve more internal stakeholders in further tabletop exercises that consider a range of modern slavery issues, with the aim of further increasing knowledge and awareness of modern slavery risks and processes across our businesses.</p>
<p>Goal 5: Continue to positively engage with our suppliers.</p>	<p>As in previous years, we will continue to positively engage with our suppliers about modern slavery issues. We will also review our Supplier Code of Conduct to ensure it aligns with current best industry practice, such as reflecting the requirements of the most recent Responsible Business Alliance Code of Conduct.</p>

Part E

CONSULTATION PROCESS & APPROVAL

Consultation process and approval

Consultation process

This Statement was prepared in consultation with our Australian and international controlled entities, including:

- the CAR Group Board;
- our Board Risk Management Committee;
- relevant executive and senior leadership team members of controlled entities in Australia and overseas;
- relevant procurement personnel of controlled entities; and
- our Modern Slavery Working Group.

Approval

This Statement was approved by the CAR Group Ltd Board on 16 December 2024



Cameron McIntyre
Chief Executive Officer
CAR Group Ltd



Pat O'Sullivan
Non-Executive Chair
CAR Group Ltd



For further information about CAR Group's corporate governance, policies and reports, please visit the CAR Group shareholder website at cargroup.com.

For questions regarding CAR Group's modern slavery arrangements, please contact modernslavery@carsales.com.au.

