



**eggers**  
**automotive**  
Moving Together.

# Modern Slavery Statement

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# 1. Introduction

## 1.1 About this Statement

In accordance with the *Modern Slavery Act 2018* (Cth) (the **Act**); Eagers Automotive Limited Group of Companies (**Eagers Automotive Group**) is pleased to present its second Modern Slavery Statement, covering the period 1 January 2021 to 31 December 2021, on behalf of the Group, including each of the reporting entities set out in Appendix B to this Statement.

This Statement outlines the continued efforts and actions the Eagers Automotive Group has taken over the past year to mature its approach to the identification and understanding of modern slavery risks in its operations and supply chain, and to strengthen its controls to reduce and mitigate these risks.

These activities are underpinned by the following corporate values, which express the standards and behaviours expected of all Eagers Automotive Group members and guide the Group's interactions with its stakeholders.



**Integrity**



**Inclusiveness**



**Owner's  
Mindset**



**Agility**

## 1.2 Consultation

Eagers Automotive Group has an integrated corporate framework incorporating key governance functions such as finance, legal, audit and risk management, as well as a shared executive management team. This Statement was prepared in consultation with relevant key stakeholders across the Group, including via the Modern Slavery Working Group, in order to report on progress against the Group's modern slavery plan of activities.

## 1.3 Approval

This Statement for Eagers Automotive Group was approved by the Board of Eagers Automotive Limited as the parent entity on 11 May 2022, and is signed by the Board Chair and the Chief Executive Officer.

**Tim Crommelin**  
Board Chair

**Keith Thornton**  
Chief Executive Officer

# 2.Eagers Automotive Business Structure, Operations and Supply Chain

## 2.1 Business Structure

Eagers Automotive Group is the largest automotive retail group in Australia and New Zealand, with a long and proud history of more than 100 years.

Eagers Automotive Group has a publicly listed parent company incorporated in Australia, with its corporate office located in Brisbane, Queensland, Australia.

Following the merger with Automotive Holdings Group Limited in August 2019 and as of 31 December 2021, the Eagers Automotive Group comprised approximately 160 subsidiary entities operating vehicle dealerships across Australia and New Zealand, primarily in Brisbane, regional Queensland, Adelaide, Darwin, Melbourne, Perth, Sydney, the Newcastle/Hunter Valley region of New South Wales, Tasmania and Auckland.





## 2.2 Operations

### 2.2.1 Our People

During the reporting period, Eagers Automotive Group employed approximately 7,400 people, approximately 6,940 in Australia and 460 in New Zealand.

The majority of engagements at dealership level are direct engagements. The Group sources temporary labour on an as needs basis from both labour hire and outsourced recruitment agencies. Recruitment agencies also provide ongoing assistance with sourcing talent for permanent and contract professional placements.

### 2.2.2 Our Operations

The Group's core operations consist of the ownership and operation of automotive retail dealerships across Australia and New Zealand. The Eagers Automotive Group represented 39 automotive brands (new car sales) during the reporting period.

As well as the sale of new and used motor vehicles, the Group's principal activities during the reporting period consisted of distribution and sale of parts, accessories and car care products, repair and servicing of vehicles, provision of extended warranties, facilitation of motor vehicle finance, the leasing of property, and the purchase and management of property and investments.

## 2.3 Supply Chain

Eagers Automotive Group's supply chain includes:

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

There is no centralised procurement function for the Group, with procurement conducted through corporate offices and individual dealerships and service centres. Despite the large number of suppliers (approximately 15,000 on record for the reporting period), approximately 400 of these suppliers make up 80% of the total procurement spend, and are suppliers through which the Group has stable, long-term supply arrangements.

During the reporting period, the largest categories of supply chain expenditure were:

- Vehicles (new and used)
- Vehicle parts
- Vehicle products (car care)

Other expenditure includes:

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

# 3. Risks of Modern Slavery in Operations and Supply Chain

## 3.1 Our Approach

Eagers Automotive Group has a robust corporate governance framework, with the Board overseeing risk governance and responsible for ensuring a sound system of risk oversight, management and internal controls are in place. The Board sets the risk appetite within which management is expected to operate.

The Audit and Risk Committee monitors, assesses and reports to the Board on the effectiveness of the risk management system and reviews the group risk register. The risk register is prepared by management and includes specific risk groups across multiple categories. Risk management plans and controls for individual risks are developed and implemented by management. Management reports to the Audit and Risk Committee on the operational effectiveness of the risk management system.

Sustainability risks are identified, assessed, prioritised and managed within this framework. They are considered in the strategic, legal and social risk categories of the risk register.

The Group's corporate governance framework is supported by a suite of accompanying policies, documents and practices, a number of which relate to modern slavery and human right protections.

These include:

- Corporate Governance Statement
- Risk Management Policy
- Code of Conduct (incorporating Whistleblower, Ethics, Bribery and Corruption Policies)
- Privacy Policy
- Diversity Policy
- Grievance/Complaints Policy and processes
- Notifiable Data Breach Management Policy
- WHSE Policy and procedures
- Employee surveys (not conducted in 2021 due to COVID-19 restrictions, but under way for 2022)

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

## 3.2 Identifying Risks in Operations and Supply Chains

When considering the risks of modern slavery practices within the Eagers Automotive Group, attention was given to the potential for the Group to cause, contribute to, or be directly linked to modern slavery through its operations and supply chain.

The Eagers Automotive Group's operations are based wholly within Australia and New Zealand, which, according to Walk Free Foundation's Global Slavery Index 2018 (**Global Slavery Index**), are low risk geographical regions due to the existence of robust human right statutory protections and regulatory oversight. As such, combined with our approach to corporate governance and risk management, we believe our risk of causing modern slavery through our operations is very low.

We acknowledge that there may be a risk that the Group contributes to or may be indirectly linked to modern slavery practices through inherent risks associated with particular outsourced services, use of labour hire and migration services, and the use and sale of products where production and source materials carry particular modern slavery risks (i.e. car manufacturing industry).

### 3.2.1 Operation Risks

#### Labour hire and migration services

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

The Group acknowledges that its current decentralised approach to recruitment and use of migration services and third party labour hire companies to source workers and conduct 'right to work' checks increases modern slavery risk by reducing its visibility over these kinds of recruitment practices. This is an area of focus for the Group in 2022.

### 3.2.2 Supply Chain Risks

The most significant supply arrangements of the Eagers Automotive Group remain with the purchase of new vehicles and parts from the Original Equipment Manufacturers (**OEM**).

#### Manufacturing

The manufacturing sector is particularly vulnerable to modern slavery as a large proportion of manufacturing is outsourced, often internationally to geographic locations with higher instances of modern slavery practices and human rights abuses.

The modern slavery statements of our OEM partners include more information on the modern slavery risks and controls and mitigations implemented for the automotive manufacturing sector.

### Raw materials

Like many companies, raw material procurement does not often take place from our direct, tier one suppliers, but may occur further down the supply chain. This reduces our visibility over the raw materials used within our supply chain to make, for example, components used in vehicle manufacturing.

It has been reported that the use of mica, a versatile mineral highly sought after by manufacturers and used in electronic devices as well as in the automotive sector in paint products, rubber tires, clutches and break pads, has been linked to illegal mines in India and Madagascar where child labour and debt bondage are widespread<sup>1</sup>.

Other high-risk products for modern slavery practices outlined by the Global Slavery Index include cotton, bricks, carpets, timber and electronics, all of which may be used by, or incorporated into goods supplied to the Group by our supply chain partners.

### Services

Modern slavery risks are evident in the services sector, including building, cleaning, travel, security and maintenance services, where there is an increased use of migrant and unskilled workers, and an increased risk of exploitative recruitment and employment practices.

While the Eagers Automotive Group encourages, where appropriate, the procurement at dealership level of locally based services in order to support local communities, this decentralised supply approach limits the systems, controls and risk matrices available to monitor modern slavery risks that might be associated with the provision of the services. This poses a challenge the Group will continue to focus on, through internal training and awareness at the dealership level and supplier engagement and due diligence, in order to balance these priorities.

### Financial services

The Group offers financial products and services and while the risk of modern slavery within the Group's direct business operations in this sector is low due to the use of highly skilled professionals, it is recognised that supply chain risk in the financial services sector exists through suppliers' corporate and operational procurement (including IT procurement), logistics and property and building (i.e. maintenance) services.

### Property sector

The Group's operations involve the leasing, construction and refurbishment of dealerships, service centres and other business sites. Property development suppliers also face potential modern slavery risks, through their engagement with the construction and property management sectors.

Construction sector risks arise from the demand for base skill and inexpensive labour, subcontracting arrangements that reduce visibility of recruitment, and employment practices and unstable job security due to project based nature of the work.



1

Hill, Allen, July 2021. Child Mica Mining. The Freedom Hub, <https://thefreedomhub.org/wp-content/uploads/2021/07/TFH-Child-Mica-Mining-Report.pdf>

# 4. Assessing and Addressing Risks of Modern Slavery in Operations and Supply Chain

## 4.1 Due Diligence

Due diligence underpins the Group's identification and management of modern slavery risks, and the Group recognises that the monitoring of, and reporting on, modern slavery risks and effectiveness of controls and mitigations is critical to a continuous improvement approach.

### 4.1.1 Corporate Risk Management

The incorporation of modern slavery considerations into the Group's corporate governance and risk management structure commenced through the establishment of the Modern Slavery Working Group and the development of processes, procedures, and reporting structures, which will continue to mature with time.

During the reporting period, modern slavery risk within the Eagers Automotive Group was highlighted to the Board through the Audit and Risk Committee.

As reported above, dealerships within the Eagers Automotive Group have the authority to engage contractors for the provision of local services, such as maintenance and cleaning work. As part of the risk management support program for 2021, the Group continued its dealership profile development and risk review, which included building awareness around the Group's modern slavery risks and statutory obligations.

### 4.1.2 Operations Due Diligence

The majority of the Group's employment engagements at dealership level are direct engagements. Recruitment agencies also provide ongoing assistance with sourcing talent for permanent and contract professional placements. Temporary labour is sourced on an 'as needs' basis from both labour hire and outsourced recruitment agencies.

Due to business growth occurring largely from the merger or acquisition of existing businesses (and staff), and historically decentralised internal recruitment processes, there is opportunity to improve centralised oversight of the recruitment and engagement processes. Implementation of initiatives to assess and address this risk (such as the establishment of a cross divisional working group to obtain recruiting insights in order to establish consistent and controlled practices) commenced in 2022.

### 4.1.3 Supplier Due Diligence

During the reporting period, Eagers Automotive Group issued supplier surveys to some 15,000 direct suppliers to better understand the risks of modern slavery in the Group's supply chain, including those that may have arisen as a result of the COVID-19 pandemic. The Group issued surveys to identified high value suppliers in the first instance (approximately 400 suppliers, representing more than 80% of the Group's total supplier spend during the reporting period).

This activity presented a number of challenges for the Group, such as responding to confusion and lack of awareness of various smaller suppliers, in particular, of modern slavery practices and regulation. Raising awareness of modern slavery risks with the Group's supply chain and improving supplier engagement in an efficient manner will be a continued focus in future years.

## 4.2 Responding to Risks

Eagers Automotive Group is committed to proactively responding to modern slavery risks across its business and supply chain.

The Group has a number of mechanisms through which employees, suppliers, customers and other third parties can report (including anonymously) suspected or actual illegal activity or breaches of company policy, including in relation to modern slavery issues.

Employees can utilise the internal complaints process, reporting directly to their manager or other senior personnel, or can raise concerns confidentially and anonymously through an independent, externally operated complaints platform. External parties can contact us through our website. Disclosures can also be made in accordance with the Group's Whistleblower Policy.

No modern slavery incidents have been identified to date. However, our processes are ongoing and, as a result of the above-outlined supplier survey challenges and resourcing constraints resulting from COVID-19, review and analysis of supplier responses is continuing. Any identified and necessary risk response activities will be a focus for the 2022 reporting period, with the aim of developing a revised risk-based approach.



### 4.3 Awareness

As discussed above, awareness of modern slavery practices and risk and the Group's obligations under the Act were raised at a management and governance level, with updates provided to management and knowledge sharing occurring through the Modern Slavery Working Group.

A focus for the 2022 reporting period is for the development of an internal training package to continue building the Group's modern slavery knowledge base and awareness of controls and mitigations as they are implemented.



# 5. Effectiveness of our Actions and Next Steps

## 5.1 Effectiveness of Actions

Eagers Automotive Group acknowledges that it is important to review, update and develop its processes to minimise the risk of modern slavery occurring in connection with its business and supply chain.

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

1. The cross-functional Modern Slavery Working Group provides Eagers Automotive Group with an appropriate platform to share business insights on modern slavery issues, assign activities and accountabilities for modern slavery risk management, and discuss the progress of, and review the effectiveness of, the actions being undertaken by the Group.
2. A modern slavery supplier survey was issued to 15,000 of the Group's existing direct suppliers to provide the Group with a greater understanding of the controls our suppliers have in place to identify and mitigate modern slavery risks.
3. The Group's complaints and grievance mechanisms facilitate confidential and anonymous reporting and is an important measure of the effectiveness of the Group's modern slavery plan and the way in which it addressed human rights and people management more broadly. The Group acknowledges the inherent limitations of reporting mechanisms, however, being that report instances are indicative only and that, for example, no or few reports may not be conclusive evidence of no or minimal instances of slavery or human rights abuses within its operations.

## 5.2 Next Steps

Eagers Automotive Group is committed to continuous improvement with respect to its operations and supply chain due diligence, recognising the Group has a global supply chain that is exposed to risks of modern slavery practices.

During the next reporting period we plan to progress the following key activities to improve our understanding and management of modern slavery risks:

1. Review the data collected from the supplier survey to further inform our risk identification profile and assess the survey's effectiveness with the aim of improving data quality and completion rates.
2. Develop general modern slavery awareness training which will continue building the Group's awareness and understanding of modern slavery and the risks across our operations and supply chain.



# Appendix A - Mandatory Criteria Compliance Statement

The below table indicates where in this statement the mandatory criteria set out in section 16 of the Act can be found.

Mandatory Requirements		Section & page number
a)	Identify the reporting entity.	Section 11, page 3 and Appendix B
b)	Describe the reporting entity's structure, operations and supply chains.	Section 2, pages 4-5
c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Section 3, pages 6-7
d)	Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	Section 4, pages 8-9
e)	Describe how the reporting entity assesses the effectiveness of these actions.	Section 5, page 10
f)	Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	Section 12, page 3
g)	Any other information that the reporting entity, or the entity giving the statement, considers relevant.	Not applicable

# Appendix B – Schedule of Reporting Entities

1. ACM Autos Pty Ltd
2. ACM Liverpool Pty Ltd
3. Adtrans Automotive Group Pty Ltd
4. AHG Newcastle Pty Ltd
5. AHG WA (2015) Pty Ltd
6. AP Ford Pty Ltd
7. AP Motors (No 3) Pty Ltd
8. Austral Pty Ltd
9. AUT 6 Pty Ltd
10. BASW Pty Ltd
11. Bill Buckle Autos Pty Ltd
12. Cardiff Car City Pty Ltd
13. CFD (2012) Pty Ltd
14. City Auto (2016) Pty Ltd
15. Easy Auto 123 Pty Ltd
16. Essendon Auto (2017) Pty Ltd
17. Falconet Pty Ltd
18. Highland Autos Pty Ltd
19. MB VIC Pty Ltd
20. Motors Tas Pty Ltd
21. Perth Auto Alliance Pty Ltd
22. PT (2013) Pty Ltd
23. Shemapel 2005 Pty Ltd
24. Southeast Automotive Group Pty Ltd
25. SWGT Pty Ltd ATF SWGT Unit Trust
26. The Trustee for Osborne Park Unit Trust
27. WS Motors Pty Ltd
28. Zupps Aspley Pty Ltd