
2022

Modern Slavery Statement



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1. About this Statement

1.1 Introduction

Eagers Automotive Limited Group of Companies (Eagers Automotive Group), through its parent company Eagers Automotive Limited (ACN 009 680 013), is pleased to present this joint statement 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 during the reporting period of 1 January 2022 to 31 December 2022 to understand, identify, assess and address the modern slavery risks in its operations and supply chain, in line with a continuous improvement approach.

1.2 Consultation

Eagers Automotive Group has an integrated operational and corporate governance 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 which has multi-functional representation.

1.3 Approval

In accordance with the requirements of the Modern Slavery Act 2018 (Cth), this Statement was approved by the principal governing body, the Eagers Automotive Limited Board, on 20 June 2023 and is signed by the Board Chair and the Chief Executive Officer.



Tim Crommelin
Chairman



Keith Thornton
Chief Executive Officer

2. About Us - Our Structure, Operations and Supply Chain

2.1 Our Structure

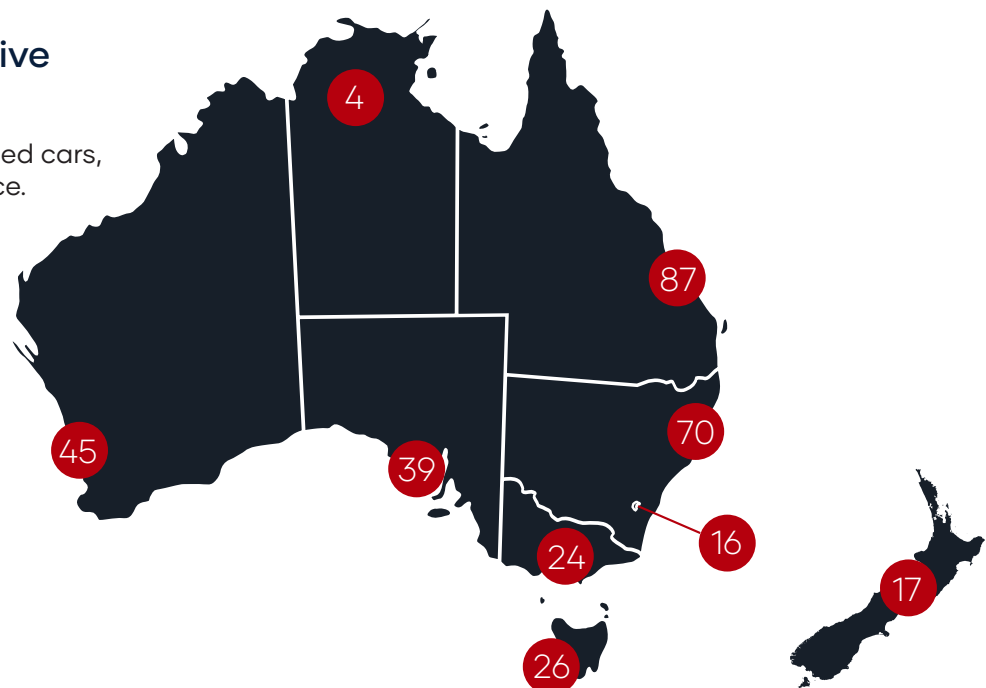
Eagers Automotive Group is the largest automotive retail group in Australia, and more recently expanded operations to New Zealand, with a long and proud history over 110 years. The Group has a publicly listed parent company incorporated in Australia, with its corporate office located in Brisbane, Queensland.

During the reporting period the Eagers Automotive Group comprised approximately 145 wholly owned subsidiary entities, the majority incorporated in Australia, with the remaining incorporated in New Zealand. Our subsidiary entities undertake a range of functions and activities in support of the Eagers Automotive Group, including the operation of vehicle dealerships, facilitation of motor vehicle finance, the sale of car care products and the management of property and investments.

Eagers Automotive dealerships can be found in all State and Territories in Australia as well as in New Zealand.

Eagers Automotive Dealerships

Inclusive of new and used cars, trucks, parts and service.



2.2 Our Strategy and Values

Eagers Automotive Group activities, operations, actions and behaviours are underpinned by our corporate values and aligned to our corporate strategy, including our sustainability strategy.

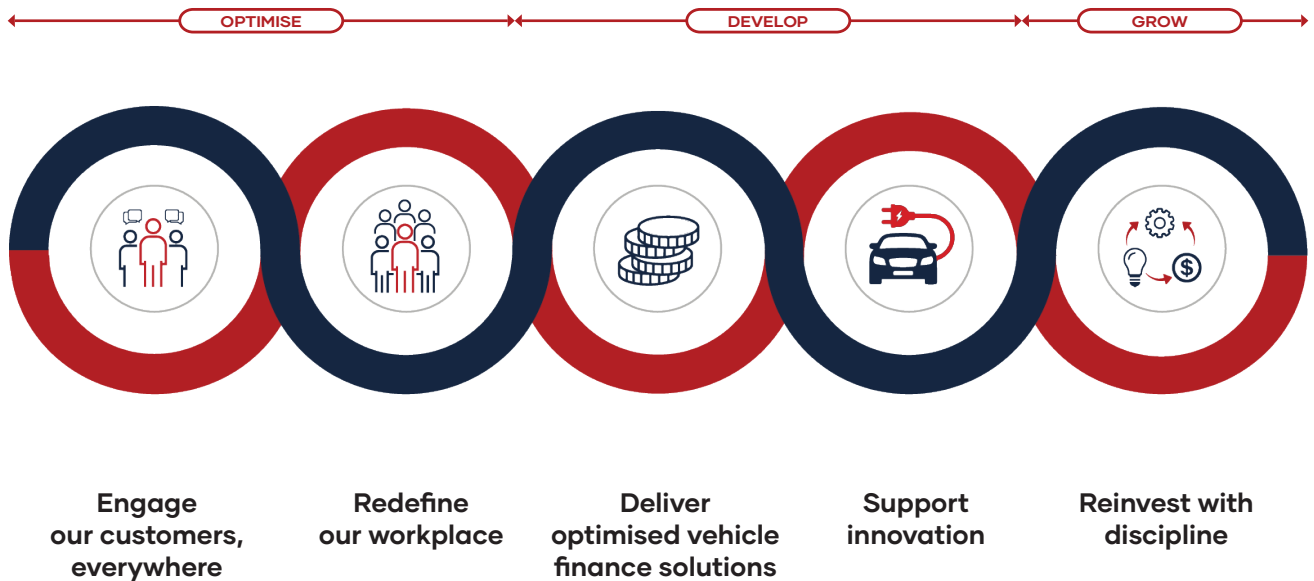
2.2.1 Our Values

Our company values express the standards and behaviours expected of all Eagers Automotive Group members.



2.2.2 Our Corporate Strategy

Providing integrated mobility solutions for the next 100 years.



Exceed Stakeholder Expectations

Customer. Employees. Partners. Shareholders. Community.

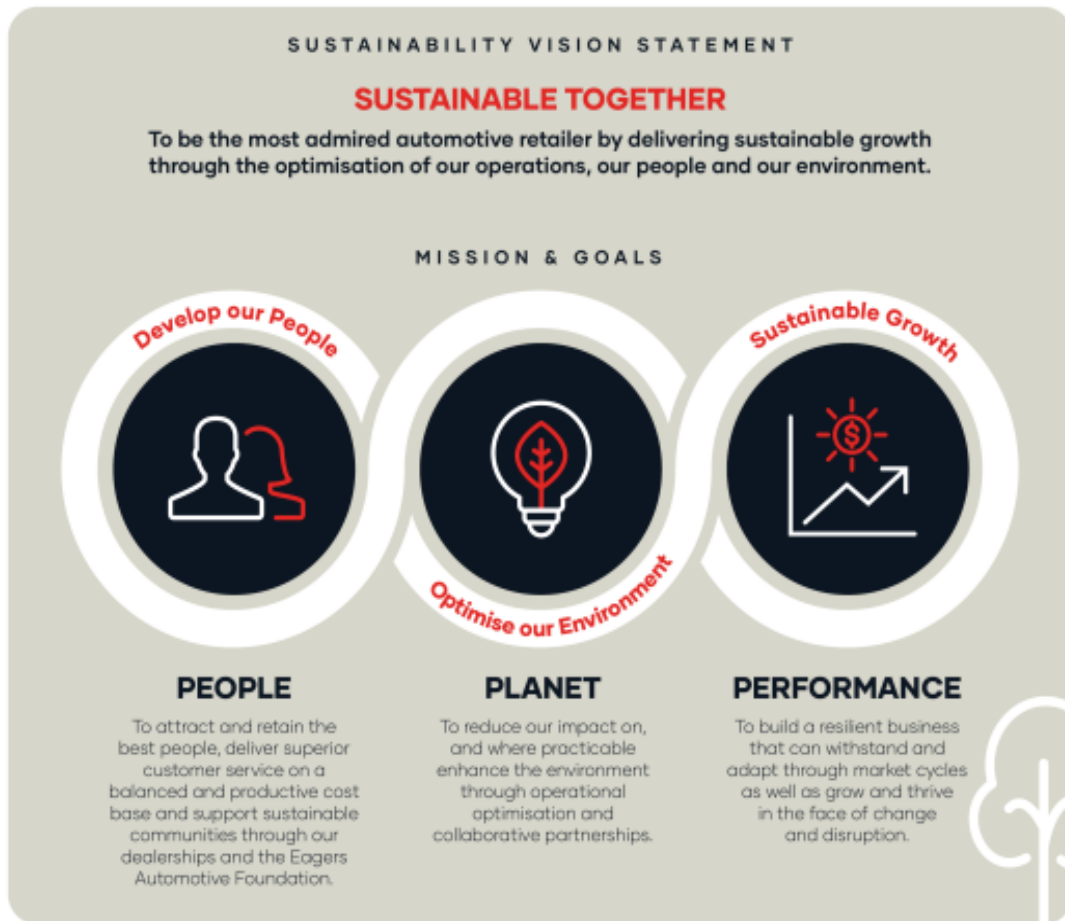
Organic

Greenfield

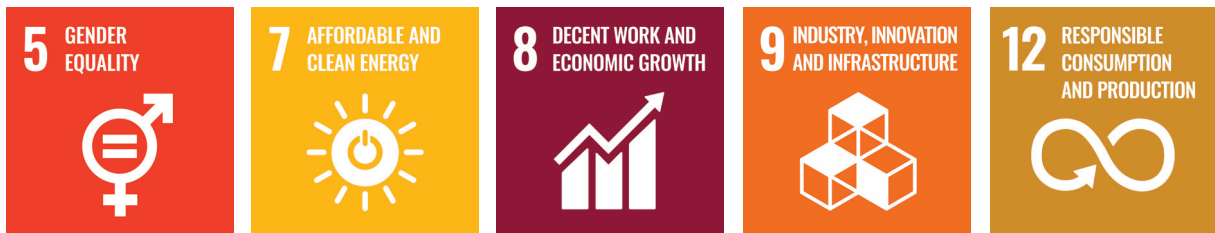
Acquisitions

2.2.3 Our Sustainability Strategy

This reporting period we launched the Eagers Automotive Group’s sustainability strategy in our second annual Sustainability Report, which has people at its core.



As part of this strategy, the Group identified the following five United Nations Sustainable Development Goals (UN SDGs), reflecting the areas we believe the Group is best placed to contribute and to which our sustainability strategy best supports and aligns:



2.3 Operations

2.3.1 Our People

During the reporting period the Eagers Automotive Group employed on average 7,652 people - 7,250 in Australia and 402 in New Zealand. The majority of employment 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, including the recruitment of foreign workers in technical trades. Recruitment agencies also provide ongoing assistance with sourcing talent for permanent and contract professional placements.

2.3.2 Our Operations

The Group's core operations consist of the ownership and operation of automotive retail dealerships across Australia and New Zealand with locations in every Australian capital city as well as regional Queensland, the Newcastle/ Hunter Valley region of New South Wales, broader Tasmania and Auckland, New Zealand. The Eagers Automotive Group represented 43 automotive brands (new car sales) during the reporting period, across approximately 270 new car dealerships.

As well as the sale of new and used motor vehicles, our principal activities consist of the distribution and sale of parts, accessories and car care products, repair and servicing of vehicles, provision of extended warranties, facilitation of motor vehicle finance, property ownership and investments.

2.4 Supply Chain

Procurement is largely site based, occurring through corporate offices and individual dealerships and service centres, with no centralised procurement function and only a small number of group-wide procurement activities for products and services such as after-sales products, parts and tyres.

Despite the large number of suppliers (approximately 16,000 on record for the reporting period), our 400 largest suppliers by dollar value (including OEMs) make up approximately 70% of the total procurement spend, and are largely suppliers through which the Group has stable, long-term supply arrangements.

Eager 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)

Our largest categories of supply chain expenditure are:

- Vehicles (new and used)
- Vehicle parts
- Outside services

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

We acknowledge that modern slavery risks have the potential to expose businesses on multiple fronts – legal risks around regulatory reporting and human rights offences, reputational damage and the erosion of public trust, investor scrutiny of social credentials and erosion of investor confidence, and erosion of employee trust and value alignment.

The Eagers Automotive Board oversees the Group's risk management approach and is responsible for ensuring a sound system of risk oversight, management and internal control is in place. The Board sets the risk appetite within which management is expected to operate.

Our risk management framework provides the tools to identify and report on key risks, including sustainability related risks. When identifying risks, changes in external and internal context and indicators of emerging risks are considered. The risk analysis examines consequences and likelihood to determine a risk rating that supports the priority of actions for managing risks. The risk matrix provides parameters for risk analysis to ensure a consistent approach across the Group.

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.

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 protections. These include:

- Anti-Bribery and Corruption Policy
- Code of Conduct
- Complaints Management Policy and processes
- Corporate Governance Statement
- Diversity Policy
- Whistleblower Policy
- WHSE Policy and procedures
- Risk Management Policy

In 2022, the Group recommenced its annual Employee Engagement Survey which provides useful insights into how our employees feel about working for the Eagers Automotive Group, and broader issues including in relation to modern slavery. For more information on the survey, please see section 4 – Actions Taken to Assess and Address Modern Slavery Risks.

Further, 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

We continue to consider how our operations and supply chains might cause, contribute to, or be directly linked to modern slavery.

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. The Group had two enterprise agreements covering relevant employees during the reporting period and is committed to bargaining in good faith in line with its obligations under the Fair Work Act 2009 (Cth).

As such, combined with our approach to corporate governance, risk management and regulatory compliance, particularly where it relates to the safety and wellbeing of our employees, we believe our risk of causing modern slavery through our operations is very low.

We acknowledge that there may be inherent risks associated with our global supply chains. The most significant supply arrangements of the Eagers Automotive Group are the purchase of new vehicles and parts from our OEM partners.

Relevant supply chain risks identified include the use and sale of products where the production and source materials carry particular modern slavery risks (ie. the manufacturing sector), those relating to particular outsourced services and use of labour hire and migration services.

3.2.1 Operation Risks

- Labour hire and migration services

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

In our 2021 Modern Slavery Statement we acknowledged that our previously decentralised approach to recruitment and use of migration services and third-party labour hire companies to source workers and conduct 'right to work' checks increased our modern slavery risk by reducing the visibility we have over these kinds of recruitment practices. In 2022 we took action to respond to this risk. Please see section 4 – Actions taken to Assess and Address Modern Slavery Risks, for more information.

3.2.2 Supply Chain Risks

- Manufacturing

The manufacturing sector is particularly vulnerable to modern slavery, accounting for nearly one-fifth of all forced labour exploitations of adults¹. This is because a large proportion of manufacturing is outsourced, often internationally to geographic locations with higher instances of modern slavery practices and human rights abuses.

The human rights policies and modern slavery statements of our OEM partners include more information on their respective approaches to human rights and the modern slavery risks, and the controls and mitigations implemented for the automotive manufacturing sector.

- Raw materials

According to a 2020 joint report by KPMG and the Australian Human Rights Commission², at least 22% of forced labour victims are found in the manufacture and production of raw materials. Like many companies, raw material procurement is unlikely to take place from our direct, tier one suppliers, but may occur further up our supply chain, reducing our visibility over raw materials extraction and manufacturing practices.

For example, the automotive industry's move to electric and other lower emission vehicles has resulted in a significant increase in the need for cobalt, an essential component of most lithium-ion batteries. The mining of cobalt has also been linked to modern slavery practices because more than half of the world's supply of cobalt is mined in the Democratic Republic of Congo, known for its use of child labour, predominantly, and in dangerous conditions for minimal reward³.

Other known high-risk products which may be used by the Group, or incorporated into goods supplied to the Group by our supply chain partners include mica (used in electronic devices, paint products, rubber tyres, clutches and brake pads and linked to illegal mines in India and Madagascar where child labour and debt bondage are widespread⁴), rubber (linked to child labour on rubber plantations, sub-standard working conditions through the manufacturing and collection of end of life tyres, and forced labour on ships used to transport tyres for distribution), timber (linked to illegal logging using forced labour in countries such as Peru and Russia) and coffee (linked to forced labour in coffee plantations in countries such as Brazil).

- Services

Almost one third of adult forced labour exploitation (5.5 million people) is in the services sector⁵ including building, cleaning, travel, hospitality, 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.

- Financial Services

The Group offers external financial products and services and recognises that supply chain risk in the financial services sector exists through corporate and operational procurement (including IT procurement), logistics and property and building services (including maintenance).

- Property sector

The Group's operations involve the leasing, construction and refurbishment of dealerships, service centres and other business sites.

Construction and property sector risks arise from the use of materials often sourced from low-tier suppliers and deriving from high-risk countries, demand for base skill and inexpensive labour, subcontracting arrangements that reduce visibility of recruitment, and employment practices and unstable job security due to the project-based nature of the work.

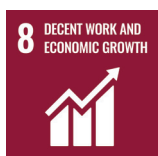
4. Actions taken to Access and Address Modern Slavery Risks

4.1 Strategy and Values

Our sustainability strategy has a strong people focus and highlights the Group's commitment to mitigating the exploitation of men, women and children through our business practices. The Eagers Automotive Group has elected to support five UN SDGs, acknowledging that these are the areas we believe we are best placed to contribute to and make a positive impact. Two of these goals seek to address and eliminate modern slavery practices.



Gender Equality aims to end discrimination, violence and exploitation of women and girls, and encourages the adoption and strengthening of policies and legislation that promote gender equality and the empowerment of women and girls.



Decent Work and Economic Growth aims to protect labour rights and promote safe and secure working environments for all workers, including migrant workers and those in precarious employment. This goal also encourages companies to take effective measures to eradicate forced labour, end modern slavery and human trafficking and eliminate the worst forms of child labour.

Through the adoption of these UN SDG goals, the Eagers Automotive Group will continue to investigate opportunities to focus its support and commitment to addressing the root causes of modern slavery practices.

4.2 Due diligence

Due diligence underpins the Group's identification and management of modern slavery risks.

4.2.1 Corporate Governance and Risk Management

The Group's approach to risk management is set out in section 3 of this Statement and includes the establishment of a standing Modern Slavery Working Group with multi-functional representation to monitor and assist delivery of the Group's modern slavery mitigation commitments.

Our commitment to a culture of honesty and ethical behaviour is reflected in our adoption of "Integrity" as one of our four corporate values. Ethical behaviours are promoted through a suite of Group-wide policies and procedures. In line with our continuous improvement approach, reviews of existing, and the development of new corporate documents were commenced during the reporting period, including of the following:

- Anti-Bribery and Corruption Policy
- Appropriate Workplace Behaviours Policy
- Code of Conduct
- Complaints Management Policy
- Diversity and Inclusion Policy
- Employee Handbook
- New Starter Induction
- Performance and Discipline Policy
- Recruitment Policy
- Whistleblower Policy

The Group also commenced development of its Modern Slavery Policy and Modern Slavery Response Procedure, which sets out company expectations around modern slavery risk identification, mitigation and response, and establishes cross functional ownership and accountability for the management of modern slavery risk.

4.2.2 Operations due diligence

The majority of the Group's employment engagements are direct engagements, with recruitment agencies providing ongoing assistance with sourcing talent for permanent and contract professional placements and undertaking relevant employment checks and other due diligence activities. Temporary labour is sourced on an 'as needs' basis from both labour hire and outsourced recruitment agencies.

Throughout 2022 the engagement, design and development of a new online HR platform commenced in readiness for roll out from mid-2023. The HR platform will centralise the Group's recruitment, engagement and onboarding processes which will help to drive consistency and controlled practices, and transparency in supply chain management.

In 2022, Eagers Automotive Group recommenced its independent and anonymous Employee Engagement Survey which provides insights into employee sentiment around working conditions and company culture and enables feedback to be benchmarked against a portfolio of other automotive, transportation and logistics employers.

Key strengths identified through the survey are that Eagers Automotive Group provides a safe workplace where employees feel comfortable to raise and report on important issues such as injuries and safety incidents, concerns around bullying, discrimination and harassment, as well as actual or suspected unethical behaviour.

4.2.3 Supplier due diligence

- Modern Slavery Supplier Surveys

In response to surveying process challenges noted in the previous reporting period, the Modern Slavery Working Group reviewed and revised the supplier questionnaire to be more informative and enhance assessment value. We then tested the revised survey by issuing to our key supplier partners. The revised survey will be relaunched in the next reporting period and monitored for achievement of desired outcomes.

- Contractual obligations and remedies

During the reporting period Eagers Automotive Group continued to consider risks of modern slavery in corporate contracting arrangements, where appropriate. Corporate procurement is generally higher volume and higher spend, and the intention is that as modern slavery knowledge and awareness increases across the business through training, policy implementation and other business initiatives, supplier due diligence and modern slavery contractual remedies at a localised (site based) level will increase.

- Foreign Recruitment Due Diligence

In our 2021 Statement we identified foreign recruitment as an area at risk of modern slavery practices, specifically debt bondage. In response, the Group commenced establishment of a panel of preferred suppliers for the recruitment of foreign workers from vulnerable countries. These suppliers have been vetted by the Group and have agreed to uphold ethical engagement processes and comply with the Group's strict recruitment practices. The aim is to encourage and promote the use of legal and ethical recruitment practices more broadly by other foreign recruitment providers, as well as companies seeking foreign talent, in order to reduce the risk of foreign workers ending up in debt bondage or similar exploitative situations.

4.3 Responding to Risks

Eagers Automotive Group is committed to responding to modern slavery risks across its business and supply chain. During the reporting period the Group commenced development of a Modern Slavery Response Procedure to guide the business in the event an alleged or actual incidence of modern slavery is identified.

The Group has a number of mechanisms through which employees, suppliers, customers and other third parties can report suspected or actual modern slavery issues. Employees can utilise the Group's internal complaints process or can raise concerns confidentially and anonymously through an independent, externally operated complaints platform, while external parties can contact us through the Eagers Automotive website.

Eligible whistleblower disclosures can also be made in accordance with the Group's Whistleblower Policy.

4.4 Awareness

Eagers Automotive Group continued to raise awareness of the Group's modern slavery risk profile through our risk management process and actioning the Group's modern slavery mitigation activities.

In line with its 2021 commitment, the Group commenced development of modern slavery general awareness training content, in order to continue building the Group's modern slavery knowledge base and awareness of controls and mitigations.



5. Effectiveness of our Actions and Next Steps

5.1 Effectiveness of Actions

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

- 1) The cross-functional Modern Slavery Working Group provides the 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 and effectiveness of actions being undertaken by the Group.
- 2) The Group's Modern Slavery Supplier Questionnaire is intended to provide the Group with a greater understanding of the risk profile of our suppliers.
- 3) The Group's grievance and complaints mechanisms provide a range of reporting options, including the facilitation of confidential and anonymous reporting, and this, together with a positive speak-up culture, is an important element of the Group's modern slavery mitigation framework.
- 4) Eagers Automotive has reintroduced the annual Employee Engagement Survey as a regular tool for gathering feedback from our employees on a broad range of work-related matters, including in respect of potential modern slavery issues.

5.2 2022 Progress Against Commitments

In our 2021 Modern Slavery Statement we planned to undertake, and completed the following key activities:

- 1) Review our supplier survey process 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 risks across our operations and supply chain.

5.3 Next Steps

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

- 1) Monitor and review the effectiveness of our revised modern slavery supplier survey.
- 2) Finalise and implement the Group's Modern Slavery Policy and Modern Slavery Response Procedure.
- 3) Roll out the modern slavery awareness training.

Footnotes

1 International Labour Organisation, Walk Free and International Organization for Migration. "Global Estimates of Modern Slavery: Forced Labour and Forced Marriage" (September 2022): 30, https://cdn.walkfree.org/content/uploads/2022/09/12142341/GEMS-2022_Report_EN_V8.pdf

2 KPMG and Australian Human Rights Commission, "Property, Construction & Modern Slavery – Practical responses for managing risk to people" (2020): 9, <https://humanrights.gov.au/our-work/business-and-human-rights/publications/property-construction-and-modern-slavery-2020>.

3 KPMG and the Australian Human Rights Commission, "Resources, Energy and Modern Slavery: Practical responses for managing risk to people", (2021): 42, <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2021/resources-energy-sector-modern-slavery-practical-guide.pdf>.

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

5 International Labour Organisation, Walk Free and International Organization for Migration, "Global Estimates of Modern Slavery: Forced Labour and Forced Marriage" (September 2022): 30 https://cdn.walkfree.org/content/uploads/2022/09/12142341/GEMS-2022_Report_EN_V8.pdf.



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 and page number
(a)	Identify the reporting entity.	Section 1.1, Page 3
(b)	Describe the reporting entity's structure, operations and supply chains.	Section 2, Pages 4,8
(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 9-11
(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 12-14
(e)	Describe how the reporting entity assesses the effectiveness of these actions.	Section 5, Page 15
(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 1.2, Page 3
(g)	Any other information that the reporting entity, or the entity giving the statement, considers relevant.	See for example, Our Strategy and Values, Page 5-7

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. Easy Auto 123 Pty Ltd
14. Essendon Auto (2017) Pty Ltd
15. Falconet Pty Ltd
16. Highland Autos Pty Ltd
17. Motors Tas Pty Ltd
18. Perth Auto Alliance Pty Ltd
19. PT (2013) Pty Ltd
20. Shemapel 2005 Pty Ltd
21. Southeast Automotive Group Pty Ltd
22. SWGT Pty Ltd ATF SWGT Unit Trust
23. The Trustee for Osborne Park Unit Trust
24. WS Motors Pty Ltd
25. Zupps Aspley Pty Ltd
26. EASST Pty Ltd