



# **MODERN SLAVERY STATEMENT 2022**

**CNH INDUSTRIAL AUSTRALIA PTY LIMITED**

**CNH INDUSTRIAL CAPITAL AUSTRALIA PTY LIMITED**



## MODERN SLAVERY STATEMENT 2022

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### INTRODUCTION

This joint statement is made under section 14 of the Modern Slavery Act 2018 (Cth) (“Act”) by **CNH Industrial Australia Pty Limited** (ACN 000 031 130) (“**CNH**”) jointly with its fully owned subsidiary **CNH IndustrialCapital Australia Pty Limited** (ACN 069 132 396) (“**CNH Capital**”) (which is a non-reporting entity under the Act) (together, **CNH Group**). Unless otherwise indicated or the context otherwise requires, the terms “we”, “us”, “our” or “the Company” refer to the CNH Group.

This statement sets out the actions taken by the CNH Group between 1 January 2022 and 31 December 2022 (“**Reporting Period**”) to identify modern slavery risks related to the CNH Group operations and put in place processes to deal with any potential modern slavery practices existing within the operations of CNH Group operations and its supply chain.

### ORGANISATIONAL STRUCTURE

As at 31 December 2022, CNH Industrial N.V. (“**CNH Industrial N.V.**”) was the ultimate parent company of the CNH Group. CNH Industrial N.V. is incorporated in the Netherlands and has its corporate seat in Amsterdam, and its principal office in London, United Kingdom. Since the last reporting period, CNH Industrial N.V. and Iveco Group N.V. (“**Iveco Group**”) executed a deed of demerger whereby, effective 1 January 2022, the Iveco Group became independent from CNH Industrial N.V. Consistent with this change, IVECO Trucks Australia Limited (ACN 004 065 061) is no longer a subsidiary of CNH (as it was in the last reporting period ending 31 December 2021). Accordingly, this statement does not relate to the Iveco Group.

### OUR COMMITMENT

CNH Group is committed to the creation of long-term sustainable value for all its stakeholders and believes that upholding fundamental human rights and ensuring decent working conditions is a prerequisite for achieving such results.

### CNH INDUSTRIAL N.V. BUSINESS

CNH Industrial N.V. is a global leader in the capital goods sector with a strong presence in both on-highway and off-highway applications. CNH Industrial N.V. has 12 strong global brands, each recognised as leaders in their respective fields. These brands provide farmers with precision technologies to help feed a growing world population, manufacture the machines that build the cities and infrastructure of the future, and deliver sustainable urban and goods transportsolutions featuring future-proof powertrain technologies.

CNH Industrial N.V. has 43 manufacturing plants, 40 research and development (R&D) centres, a workforce of more than 40,000 full time employees globally, and a commercial presence in 170 countries (as at 31 December 2022).

### CNH GROUP BUSINESS

As at 31 December 2022 CNH imported products from CNH Industrial N.V manufacturing plants overseas, and manufacturers some products locally. CNH also procures parts and accessories from local and overseas suppliers, many of whom may be engaged by CNH



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Industrial N.V or its subsidiaries overseas, as preferred suppliers. Those parts and accessories are designed and manufactured under the direction of CNH Industrial N.V or its related entities.

CNH Group's products, parts and accessories procured from our overseas offices, or through CNH Industrial N.V's suppliers, are sold to the customers across Australia through CNH Group appointed dealers.

In addition, CNH Group may also procure goods and services through its local purchasing department in accordance with the purchasing policies and procedures set by CNH Industrial N.V.

### HUMAN RIGHTS POLICY

CNH Industrial N.V's global footprint requires the adoption of generally accepted principles in each geographic area where its subsidiaries operate. In compliance with the global footprint set by CNH Industrial N.V, CNH Group is committed to operating morally, ethically and fully supporting fundamental human rights whilst providing safe working conditions. CNH Group prohibits the use of forced or mandatory labour, slavery, involuntary or coerced labour, human trafficking or sex trafficking in any of its operations or by any third party with whom it has a business relationship.

Policies prepared by CNH Industrial N.V<sup>1</sup> outline the commitment of CNH Industrial N.V along with its subsidiaries (including but not limited to the CNH Group) to prevent human trafficking and slavery, including in its supply chain, in compliance with the Act and similar legislations prevailing in other countries such as the California Transparency in Supply Chains Act and the Human Trafficking Prevention Act in the US, and the UK Modern Slavery Act 2015.

### OUR SUPPLY CHAIN

CNH Industrial N.V has relationships with a vast network of suppliers throughout the world and manages annual purchases worth approximately US\$10 billion, with a network of over 3,000 direct material suppliers. In 2022, CNH Industrial N.V. evaluated 80 new suppliers for its network. There were no significant changes to supply chain structure and no additional outsourcing of activities during the Reporting Period.

CNH Industrial N.V's top 150 suppliers are considered strategic suppliers, not only because they generate 64% of the total value of purchases, but also because of the length of the relationships, their production capacity and handling of spare parts.

CNH Industrial N.V spends significant amounts with suppliers. In 2022, contracts signed by CNH Industrial N.V with suppliers accounted for 63% of procurement costs.<sup>2</sup>

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<sup>1</sup> Human Rights Policies can be accessed at [CNH Industrial - Corporate Policies](#)

<sup>2</sup> For more information please see 2022 Sustainability Report Supplier profile at [CNH Industrial - Sustainability Reports](#)



### **CORPORATE CODE OF CONDUCT**

CNH Industrial N.V.'s Code of Conduct<sup>3</sup> addresses the ethical aspects of economic, social and environmental issues. The Code of Conduct makes explicit reference to the UN's Declaration on Human Rights, the relevant International Labour Organization (ILO) Conventions, and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Companies.

Every year on-line education sessions are provided to company directors, officers, and employees on Code of Conduct principles and values to reinforce CNH Industrial N.V.'s corporate code of conduct and culture.

In addition to the Code of Conduct, CNH Group has established local corporate policies and internal business processes that supplement the code.

### **SUPPLIER CODE OF CONDUCT**

CNH Group has adopted the Supplier Code of Conduct that provides the framework for responsible supply chain management. Compliance with the Supplier Code of Conduct is a mandatory requirement for continuing business relations with CNH Group. In addition to compliance with local legislation, the Supplier Code of Conduct calls for observance of human rights, decent working conditions, and respect for the environment and business ethics, including prohibiting all forms of human trafficking. As highlighted in the Supplier Code of Conduct, all suppliers must work with CNH Group to enforce the code itself and are required to transfer its principles to their employees, subsidiaries, affiliates and contractors. Any violation of the Supplier Code of Conduct can alter the business relationship with CNH Group and may result in termination<sup>4</sup>.

### **SUPPLIER SELECTION**

Supplier selection is based not only on the quality and competitiveness of the supplier's products and services, but also on compliance with our social, ethical, and environmental principles. At the procurement stage, suppliers must complete the modern slavery questionnaire which helps us to determine whether suppliers have policies on prohibiting modern slavery and human trafficking. Our supplier assessment process is built on objective criteria and tools designed to ensure fairness and equal opportunities for all parties involved.

Through a commitment declaration stipulated for new suppliers, suppliers are required to comply with the principles contained in the CNH Industrial N.V. Code of Conduct and Supplier Code of Conduct. These codes are linked to our standard terms and conditions which are provided to our suppliers prior to onboarding or any contractual engagement.

Specific contractual conditions require our suppliers to provide references and demonstrate

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<sup>3</sup> CNH Industrial N.V.'s Code of Conduct can be accessed at [CNH Industrial - Code of Conduct](#)

<sup>4</sup> Our Supplier Code of Conduct can be accessed at [CNH Industrial - Supplier Code of Conduct](#)



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their efforts toward: fighting corruption, safeguarding the environment, promoting health and safety in the workplace, ensuring non-discrimination, prohibiting forced and/or child labour, and recognizing freedom of association. If a supplier fails to adhere to these principles, we reserve the right to terminate the business relationship or instruct the supplier to implement an acceptable corrective action plan. For more information, please see our 2022 Sustainability Report<sup>5</sup>.

### **RISK ASSESSMENT, DUE DILIGENCE AND STEPS TO MITIGATE RISKS**

CNH Group monitors respect for human rights within the Company's operations and across its supply chain and customer base. Risks linked to the violation of human rights are included in our Enterprise Risk Management (**ERM**) system. Our ERM methodology defines risk as any event that could affect the Company's ability to meet its objectives.

The methodology enables the timely identification of risks, the evaluation of their significance and allows action to be taken to mitigate and if possible, eliminate such risks.

#### ***CNH Industrial N.V's Workforce***

Since 2013, CNH Industrial N.V's Internal Audit function has sent an impact assessment survey to the Human Resources functions of the geographic area selected each year on a rotating basis, to monitor the following human rights aspects:

- non-discrimination (including, among others, indigenous people, and migrant labour) child labour and young workers
- forced labour
- harassment
- freedom of association
- workplace health and safety

The most recent impact assessment survey was conducted in 2021 covered 78% of employees of our global workforce. The assessment confirmed the presence of policies and controls designed to ensure respect for human rights in line with local legal requirements. It did not identify any specific concerns or issues, including in relation to child or forced labour and freedom of association.

In relation to the acquisition of significant new businesses, operations, and projects, CNH Industrial N.V conducts detailed risk assessments on human rights and labour issues. Such assessments may be conducted during the relevant due diligence process and often with the assistance of specialized external law firms or other professional advisors. For more information, please see Our 2022 Sustainability Report.

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<sup>5</sup> For more information please see 2022 Sustainability Report Supplier profile at [CNH Industrial - Sustainability Reports](#)



### OUR SUPPLY CHAIN

CNH Group performed supplier evaluations in 2022 through self-assessment by sending questionnaires to suppliers. As part of the questionnaire, suppliers were required to provide information on human rights compliance. Supplier assessments on human rights are the basis for risk assessments which identify those critical suppliers whose compliance with sustainability criteria will need to be addressed through a dedicated audit.

Among the key drivers used to create the risk map are the risks associated with the supplier's corporate responsibilities and country of operation (focusing on countries with poor human rights records). Action plans are monitored via follow-ups meeting between the applicable supplier and the Company's purchasing team. The purchasing officers are focusing on scheduling meetings more regularly to ensure deeper engagement with suppliers. Any non-compliance is brought to the attention of the Purchasing Leadership Team, which determines the actions to be taken against the non-compliant supplier.

According to the assessment process conducted in 2022 by CNH Industrial N.V for all its subsidiaries globally and CNH Group for its local suppliers, no suppliers were considered at risk in terms of child labour, forced/compulsory labour, or violation of either freedom of association or collective bargaining.

Based on the assessment undertaken, to the best of our knowledge, there is no use of child or forced labour at the plants of its suppliers.

### WHISTLE BLOWER POLICY AND COMPLIANCE HELPLINE

CNH Group has established a whistle blower policy which sets out the procedures for employees to report alleged irregularities of a general, operational and financial nature with the group, including Human Rights violations. In 2022, there were no reports pertaining to any illegal, unethical, immoral or human trafficking or slavery issues. In addition, CNH Group employees and third parties can report situations to our compliance helpline if they have a good faith belief that any circumstance or action has violated our Code of Conduct, global policy or applicable law, including the respect for Human Rights. Our Compliance Helpline is operated by an independent company and is available worldwide. Reports can be submitted (on an anonymous basis, where permitted by law), by telephone through dedicated phone lines (to a call centre managed by a third party), or in person to a manager or other Company representative.

### ACTIONS TAKEN IN 2022

During this Reporting Period, we have concentrated on improving and enhancing the procurement processes by developing an internal review mechanism to address any notified or suspected breaches of our prohibition against modern slavery in our supply chain.

In addition, we also consistently ensured that:

- (a) The supplier induction package included an undertaking for supplier to adhere to and comply with all modern slavery requirements and such undertaking were received from them before engaging them as our supplier.



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- (b) All procurement contracts require suppliers to be responsible to comply with the modern slavery provisions and allow us to audit suppliers on their compliances.

CNH Group is committed to continuous improvement in the management of modern slavery risks. This commitment reflects the Company's proactive approach to staying updated with evolving best practices and industry standards. By regularly reviewing and enhancing its processes, CNH Group ensures that its risk management efforts remain effective and it continues to strive to create a responsible and ethical supply chain.

### CONSULTATION AND COMMITMENT

CNH Group is committed to operating responsibly and in compliance with all laws. As such, it continues to assess the effectiveness of our anti-modern slavery actions through regular review and consultation.

CNH Group has developed this modern slavery statement. Each entity of the CNH Group compiled the information collected from its respective key operations of procurement, human resources, legal and compliance; analysed the information received; discussed the outcomes the findings; and formulated the information in this statement.

The board of directors of each of the entities within the CNH Group have been consulted on the modern slavery and human rights compliance matters for the year 2022, those directors have had the opportunity to review, approve and sanction the publication of this statement.

CNH Group is committed to:

- (a) reviewing and updating our policies (as necessary);
- (b) conducting an annual review of internal procedures to ensure they remain fit for purpose for identifying, mitigating and remediating identified and potential risks of modern slavery in our supply chain;
- (c) providing ongoing training to our staff to better understand and manage human rights and modern slavery issues;
- (d) delivering targeted training to suppliers to broaden awareness of human rights and modern slavery issues; and
- (e) striving to find better ways to investigate, assess and handle modern slavery risks within our supply chain.



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This statement was adopted by the Board of Directors of **CNH Industrial Australia Pty Limited** on 30 June 2023.

A handwritten signature in blue ink, appearing to be 'B. Stannett', written over a horizontal line.

**Brandon Stannett**  
Director for CNH Industrial Australia Pty Limited

This statement was adopted by the Board of Directors of **CNH Industrial Capital Australia Pty Limited** on 30 June 2023.

A handwritten signature in black ink, appearing to be 'D. McTeggart', written over a horizontal line.

**Daniel McTeggart**  
Director for CNH Industrial Capital Australia Pty Limited