



Modern Slavery Statement 2021

Introduction

This is Hino Motor Sales Australia Pty Ltd.'s (**HMSA**) annual Modern Slavery Statement for the Japanese financial year between 1 April 2020 to 31 March 2021 (**Reporting Period**). This statement reports on the actions taken by HMSA during the Reporting Period to comply with the *Modern Slavery Act 2018 (Cth)* (Act).

HMSA remains actively committed to ensuring that no element of modern slavery exists in HMSA's operations or supply chains.

Structure, Operations and Supply Chains

HMSA is a wholly owned subsidiary of its parent company, Hino Motors Limited (HML). HML is a publicly listed Japanese manufacturer of commercial vehicles and diesel engines headquartered in Hino-shi, Tokyo. HML is a leading global producer of medium and heavy-duty diesel trucks and is part of the Toyota Group. Since its establishment in 1942, HML has grown to operate out of approximately 90 countries and regions. HMSA has been providing innovative, sustainable and quality products to the Australian market for over 50 years.

HML, which operates global manufacturing and supply chains, is HMSA's largest supplier. HML has implemented several global policies, including the HML *Global Credo* and the HML *Global Code of Conduct*. Relevantly, the HML Code of Conduct includes the statement:

'Respect for Human Rights

We never tolerate any form of discrimination, whether based on race, religion, gender, age, nationality or handicap, or any conduct that violates human rights, including child labour, forced labour or harassment (sexual or otherwise).' *HML Code of Conduct page 9.*

These global policies emphasise HML's global commitment to ethical conduct and good corporate citizenship, including its objective to contribute positively to customers, employees, business partners, shareholders, local communities and society at large. HMSA is bound by the global policies promulgated by its parent company HML.

HML is HMSA's largest supplier and HMSA relies upon its parent company's global commitment and processes to ensure compliance with anti-modern slavery laws for all Hino branded products supplied into Australia.

Risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls;

HMSA recognises that supply chains may be susceptible to practices of modern slavery. On this basis, HMSA has mapped its supply chains and conducted risk-assessments of existing suppliers, rating them on a scale of low, medium or high-risk. In the first review period, HMSA's risk assessment focussed upon high risk suppliers.

In the most current Reporting Period HMSA has reached out to all Australian based suppliers where the supply was valued at greater than \$100,000. This involved a total of 78 suppliers. Each of these suppliers were sent a letter under the signature of Mr. Sam (Takashi) Suda, HMSA President and CEO, affirming HMSA's commitment to compliance with the Act, attaching a link to HMSA's Supplier Code of Conduct and requesting that they complete and return a Modern Slavery Questionnaire.



HINO MOTOR SALES AUSTRALIA PTY LTD

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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.

Actions taken in the Relevant Reporting Period include:

Senior Management Commitment

HMSA's President and CEO, Mr. Sam (Takashi) Suda, reaffirmed HMSA's commitment to anti-modern slavery to HMSA staff and suppliers.

Modern Slavery Questionnaire

In the Reporting Period HMSA conducted a mail out to Australian suppliers, under the signature of Mr Suda, President and CEO of HMSA, highlighting the need for suppliers to actively avoid modern slavery practices. This letter attached a Modern Slavery Questionnaire. This questionnaire requires suppliers to report on the actions they have undertaken to prevent or address modern slavery risks in their business or supply chains.

In addition to reporting on actions undertaken to prevent and combat modern slavery risks, the Questionnaire also requires responding suppliers to report on any actions taken to ensure compliance with the Act among suppliers in the supplier's own supply chains. In this regard, HMSA has sought to ensure that its policy against modern slavery is adhered to by all entities both directly and indirectly involved in HMSA's supply chain.

At the end of the Relevant Period 22 completed supplier responses had been received. HMSA continues to follow up the outstanding responses. To date all responses have satisfied HMSA that modern slavery risks are being adequately managed by its suppliers.

Code of Conduct

HMSA introduced a Supplier Code of Conduct in the prior reporting period. Initially this was posted upon HMSA's website and all new supplier contracts entered into by HMSA since July 2020 have included an express requirement for the supplier to comply with this Code of Conduct.

The Code of Conduct highlights HMSA's corporate values and prescribes the non-negotiable, minimum standards to which HMSA expects all suppliers to adhere. The Code of Conduct states in relation to modern slavery:

"At Hino, we expect all our suppliers and contractors to not engage in Modern Slavery. As defined in the Modern Slavery Act 2018, this includes forced or compulsory labour, human trafficking, debt bondage and child labour. This requires, at a minimum, that suppliers and contractors comply with all applicable legislative requirements relating to Modern Slavery, including the reporting requirements mandated by the Modern Slavery Act 2018. Internally, suppliers should have their own policies opposing and prohibiting Modern Slavery in all business operations and supply chains. The standards contained in this policy should be promoted to all partners and subcontractors in their own respective supply chains."

Under the revised form of HMSA's supplier contract and the Supplier Code of Conduct HMSA commits to terminate suppliers that are found to engage in modern slavery practices. Suppliers are required to notify HMSA in the event of suspected or actual breach of any provision of the Code. In this way, HMSA is actively taking steps to ensure that its opposition to modern slavery is reflected in all policies implemented and that its standards are consistently upheld across all aspects of its operations and supply chains.

The letter sent to Australian suppliers in the Relevant Period included a link to the Supplier Code of Conduct.



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Supplier Contracts

All HMSA generated supplier contracts now include a provision under which they warrant that 'no form of Modern Slavery is used in the Contractor/Supplier's business or by its directors, officers, employees, agents, representatives, contractors or subcontractors.' In addition, suppliers must agree to assist HMSA in its compliance with 'all applicable Legislative Requirements relating to Modern Slavery'.

Process of consultation with any entities that the reporting entity owns or controls.

HMSA does not currently own or control any entities for the purposes of section 16 of the Act and interacts only with suppliers not owned or controlled by HMSA.

Assessing the effectiveness of such actions

HMSA will continue to monitor its suppliers and act where necessary to ensure compliance with its supplier contracts, Supplier Code of Conduct and relevant legislation. The primary tool for monitoring the conduct of its suppliers is likely to remain the supplier questionnaire, however if any high risk suppliers are identified this will be followed up as necessary to ensure compliance.

Conclusion

HMSA is proud of the progress undertaken during this Reporting Period but acknowledges that this is an ongoing process.

This statement was approved by the Board of Directors of Hino Motor Sales Australia Pty Ltd.

A handwritten signature in black ink, appearing to read 'Sam (Takashi) Suda', written over a white background.

Sam (Takashi) Suda

President and CEO Hino Motor Sales Australia

