

Modern Slavery Statement 2020

This Statement is published in accordance with the Modern Slavery Act 2018 (Cth) (**Act**) and outlines the steps Inchcape Australia Limited and its group companies has taken to assess and address the risk of modern slavery in our business and supply chains during the financial year ending 31 December 2020. This is our first Modern Slavery statement under the Act.

A. The reporting entities

This is a single joint Statement and covers the following group entities:

- Inchcape Australia Limited (**IAL**);
 - Subaru (Aust) Pty Ltd (**Subaru Australia**);
 - Inchcape European Automotive Pty Ltd (**Peugeot Citroen Australia**);
 - Trivett Automotive Retail Pty Ltd (**Trivett**); and
 - AutoNexus Pty Ltd (**ANX**).
- (collectively, **Inchcape Australia**)

B. Structure, operations and supply chains

IAL is ultimately owned by Inchcape plc, a company domiciled in the United Kingdom and listed on the London Stock Exchange. IAL is the Australian parent of the Inchcape Australia group companies Subaru Australia, Peugeot Citroen Australia, Trivett and ANX.

Inchcape Australia is a leading player in the automotive services sector operating in the distribution, retail and logistics markets.

The Inchcape Australia group operates the following businesses, with the following supply chain requirements:



Main operations	Supply chain requirements
<p>IAL supports five businesses through 5 shared services functions, being:</p> <ul style="list-style-type: none"> - Finance - Human Resources - Information Systems - Legal & Company Secretariat - Procurement 	<p>IAL mainly purchases goods and services in the following categories:</p> <p>Facilities management - security, cleaning, office supplies, postage and couriers, waste management, catering, fire protection and furniture.</p> <p>Finance, company secretarial & legal services - insurance, professional company secretarial, legal and financial support.</p> <p>Human Resources - recruitment, training, employee and payroll services</p> <p>Information Technology - hardware, software, telecommunications and network services.</p>

	<p>Marketing and PR - advertising, media, creative services, print, public relations and marketing services.</p> <p>Operations - call centres, freight, health and safety, workshop parts and consumables, warehousing and logistics.</p> <p>Property - rent, signage, access goods and services, utilities, local authority payments and building services.</p> <p>Travel and Events - travel management, local & international transport, accommodation, parking, employee and customer events.</p>
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SUBARU

Confidence in Motion

Main operations	Supply chain requirements
Subaru Australia is the exclusive Australian importer and distributor of new vehicles manufactured by Subaru Corporation of Japan.	Subaru Australia mainly purchase vehicles, vehicle parts, freight services and professional services from organisations such as creative agencies.



Main operations	Supply chain requirements
Peugeot Citroen Australia is the exclusive Australian importer and distributor of new Peugeot & Citroen vehicles manufactured by Groupe PSA of France.	Peugeot Citroen Australia mainly acquires vehicles, vehicle parts, freight services and professional services from organisations such as creative agencies.



Main operations	Supply chain requirements
Trivett operates an automotive retail business selling, servicing and financing new and used vehicles, with dealerships located in New South Wales, Victoria and Queensland.	<p>Trivett mainly acquires the following goods and services:</p> <p>Operations - vehicle cleaning, service, maintenance and repairs, vehicle logistics, workshop parts and consumables.</p> <p>Facilities Management - cleaning & customers gifts</p> <p>Marketing and PR - creative services, digital advertising and hosting services, local print and radio media</p> <p>Vehicles and Vehicle Parts – new vehicles from its OEM or Distributor partners, including Subaru, Peugeot Citroen Australia, Mitsubishi Australia, Isuzu Ute Australia, Volkswagen Group Australia, FCA Australia and Kia Australia parts, MRO & workshop consumables.</p>

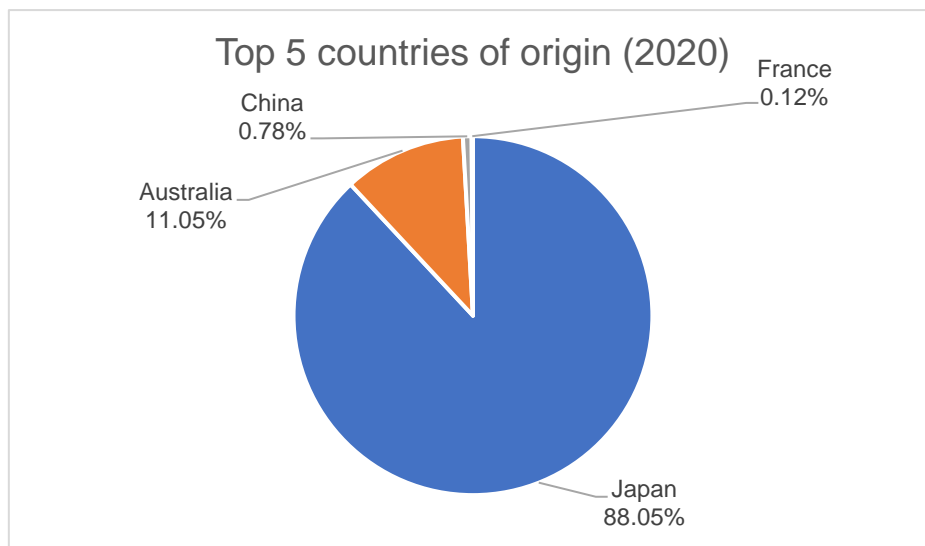


Main operations	Supply chain requirements
ANX is a leading national operator in the automotive services industry providing fleet conversions, fleet refurbishment and maintenance, vehicle logistics, parts & vehicle warehousing and distribution, and inventory management services.	ANX mainly acquires goods and services in the following areas: Finance and Legal - insurance Human Resources - temporary and contingent labour Operations - freight, distribution and packaging materials, MRO consumables and services. Property - property management rent and utilities.

C. The risks of modern slavery practices in Inchcape’s operations and supply chains

During the reporting period, Inchcape Australia sought to understand the inherent modern slavery risks in its operations and supply chains and, in doing so, conducted a detailed review of its supply chains.

Inchcape Australia’s preliminary risk analysis is that the inherent risk of modern slavery practices in its operations and supply chain is **very low**. Over 99% of Inchcape Australia’s spend was on products originating from five countries, with over 98% originating from Japan and Australia. Both of these countries rank amongst the lowest in the world for the prevalence of modern slavery, according to the Global Slavery Index 2018. Out of the 167 countries assessed by the Walk Free Foundation, Japan and Australia ranked 167 and 163 respectively in terms of the prevalence of modern slavery.



Goods and services Inchcape Australia purchased were also separated into several levels of commodity groups for further analysis. At a level 1 commodity perspective, most have a low to moderate inherent risk of modern slavery. Products purchased in relation to 'Operations' represented the highest degree of inherent risk in Inchcape's supply chain. This was due to workshop parts and consumables and workwear being purchased and imported from countries such as China, India and Thailand. The risk this presents to Inchcape's supply chain is quite small as the value of these commodities only represents 0.68% of Inchcape Australia's overall spend.

Vehicle Parts was identified after Operations as the commodity area with the second-most inherent risk. Although most Vehicle Parts purchased by Inchcape Australia are from low-risk countries, approximately 4% are from countries such as China, Indonesia, Russia, Mexico, Thailand and Philippines which have a higher country risk in terms of modern slavery. Again, the risk this presents to Inchcape Australia's supply chain is minimal as the value of products in this commodity group amounts to only 0.38% of the overall spend.

Overall, our view is that the inherent risk of modern slavery in Inchcape Australia's operations and supply chain is very low as most of the goods and services Inchcape Australia purchases are from countries where the prevalence of modern slavery is considered to be quite low. Products purchased from higher risk countries only account for approximately 1% of the products Inchcape Australia acquires. Inchcape proposes to further investigate these suppliers in the future to better assess the risk of modern slavery in their chains of supply.

D. Actions taken to assess and address modern slavery risk

Inchcape Australia engaged a leading procurement and supply chain consultancy with expertise in modern slavery risk, to assist in conducting its preliminary risk assessment of modern slavery in the first tier of Inchcape's supply chain. The consultant collected and 'cleansed' Inchcape Australia's spend data from various business systems before classifying it into categories based on commodity type and industry.

The data was further enriched by attempting to determine the country of origin for all goods and services purchased. The consultant then assessed the enriched spend data using their risk modelling analysis to calculate the inherent risk of modern slavery in Inchcape Australia's supply chain, based on the product type and country of manufacture/origin. Country and industry risk were based on data from the Global Slavery Index and the Dow Jones Sustainability Index, both with databases that measured a number of factors associated with modern slavery risk.

This preliminary risk assessment has allowed Inchcape Australia to identify areas in the supply chain with higher degrees of inherent risk and will form the foundation for future due diligence activities, in an attempt to better determine the risk of modern slavery in Inchcape Australia's supply chain.

In this reporting period, Inchcape Australia also:

- reviewed its supplier contracting processes. This has resulted in incorporating modern slavery elements into existing policies and procedures. For example, Inchcape Australia's Supplier Code of Conduct was updated to specifically address the risk of modern slavery. As a condition of working with Inchcape Australia group companies, suppliers must agree to abide by our Supplier Code of Conduct which specifically requires them to comply with all laws associated with the prohibition of modern slavery, respond to any modern slavery assessments Inchcape Australia issues, implement procedures to ensure their supply chains are as reasonably possible, free of modern slavery practices, and immediately notify Inchcape Australia if they become aware of any potential or actual risk that a supplier in their own supply chain has engaged in modern slavery or associated practices. Similar requirements were also incorporated into Inchcape's Purchase Order terms and conditions and Inchcape's Supply Agreements.
- encouraged access to its Whistle-blower Policy and an external whistleblower hotline administered by an independent third-party operator. The hotline is available 24/7 and allows current and former directors, officers, employees, associates and contractors, as well as Inchcape Australia's suppliers and service providers, to disclose anonymously and confidentially any concerns they may have about any illegal or unethical activity such as suspected modern slavery practices;
- Inchcape Australia has updated compliance training to include a component on modern slavery risks and compliance, for staff in purchasing and management roles.

E. Assessing the effectiveness of Inchcape's actions

Inchcape Australia commenced its journey on modern slavery due diligence during the reporting period, and will continue to review, assess and measure the effectiveness of actions taken to address modern slavery, to determine whether they are effective or require further refinement or improvement.

F. Consultation with Inchcape's entities

Inchcape Australia established a Modern Slavery Project Team that works across all business units and functional departments. The Modern Slavery Project Team consulted with key staff members of each business unit prior to conducting the preliminary risk assessment and regularly informs them with updates.

G. Other information

Inchcape Australia notes that during the reporting period the COVID-19 pandemic affected Australia and the World in a significant way and continues to do so as at the date of this Statement. As at the date of this Statement, we have not been able to identify any specific risks of modern slavery that may have surfaced due to COVID-19. If Inchcape Australia becomes aware of any such risks in 2021, we will include them in our 2021 Modern Slavery Statement.

Approval

This Modern Slavery Statement was approved by the Board on 17 June 2021.



Colin Christie
Managing Director
Inchcape Australia Limited