

carsales  com Ltd

# MODERN SLAVERY STATEMENT

FY21



# A MESSAGE FROM OUR CHAIR AND CEO

## FY21 MODERN SLAVERY STATEMENT

Welcome to carsales.com Ltd's (**carsales**) second Modern Slavery Statement. This Statement describes the steps taken in the 2020-21 financial year to manage the risks of modern slavery in the operations and supply chains of carsales and its controlled entities (**carsales Group**).

In FY21, we built on our initial progress in FY20 (as detailed in our inaugural [FY20 Modern Slavery Statement](#)). Key milestones achieved in FY21 include:

- rolling out an ongoing supplier questionnaire and automated assessment tool to help assess the modern slavery risks posed by our suppliers;
- developing a new procurement framework to embed modern slavery risk management into our purchasing processes; and
- continuing to work with our suppliers, employees and other stakeholders to increase awareness of modern slavery risks.

Modern slavery is a complex and multi-faceted issue demanding ongoing improvement. We will continue to work with our people, controlled entities, suppliers and other stakeholders around the world to address these challenges into FY22 and beyond.



Pat O'Sullivan  
**Non-Executive Chair**

Cameron McIntyre  
**Chief Executive Officer**  
carsales.com Ltd

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PART A -  
REPORTING  
ENTITY AND ITS  
STRUCTURE,  
OPERATIONS  
AND SUPPLY  
CHAINS



## ABOUT CARSALES.COM LTD

carsales.com Ltd (ASX: CAR) (ACN 074 444 018) is an Australian publicly listed company with headquarters in Melbourne. carsales operates the largest online automotive, motorcycle and marine classifieds business in Australia. It attracts more Australians interested in buying or selling cars, motorcycles, trucks, caravans and boats than any other classified group of websites.

carsales brings together consumers, dealers, manufacturers and advertisers to deliver some of the best solutions and experiences in the global automotive classifieds industry. Employing more than 1,200 people globally, carsales develops world leading technology and advertising solutions that drive its businesses around the world. The carsales network has operations across the Asia-Pacific region and owns leading automotive classified businesses in South Korea, Chile and Mexico. carsales also has interests in the leading automotive classifieds business in Brazil, and recently acquired a stake in a leading non-automotive classifieds business in the US.



## CARSALES' CONTROLLED ENTITIES

carsales.com Ltd controls various entities in Australia and overseas, including those listed below.

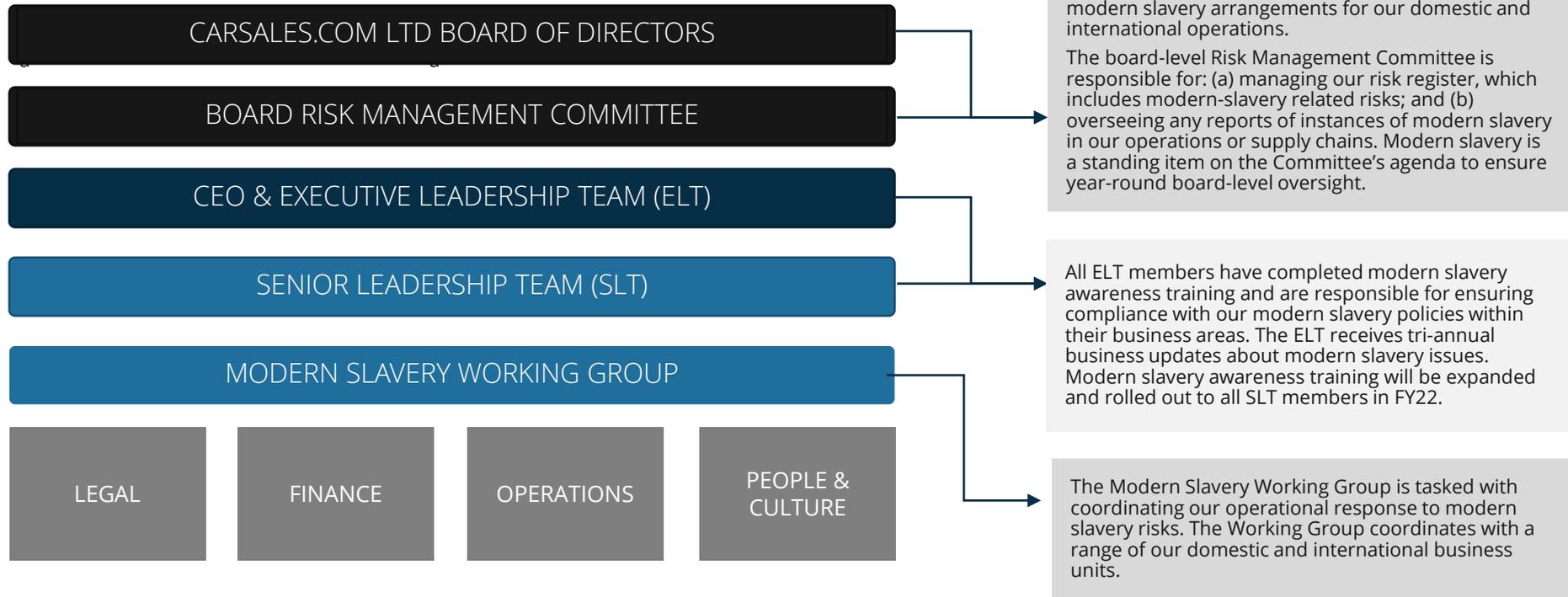
Country	Entities
Australia	Appraisal Solutions Australia Pty Ltd, AS1 Holdings Pty Ltd, Automotive Data Services Pty Ltd, carsales Argentina Pty Ltd, carsales Finance Pty Ltd, carsales Foundation Pty Ltd, carsales Holdings Pty Ltd, carsales Latam Pty Ltd, carsales.com Investments Pty Ltd, CS Motion Australia Pty Ltd, CS Motion Development Pty Ltd, CS Motion Holdings Pty Ltd, CS Motion Technologies Pty Ltd, Discount Vehicles Australia Pty Ltd, Equipment Research Group Pty Ltd, RedBook Inspect Pty Ltd, Tyresales Pty Ltd and Webpointclassifieds Pty Ltd
New Zealand	Auto Information Limited
USA	DeMotores Holding LLC
Chile	carsales Chile SpA, Chileautos SpA, DeMotores Chile S.p.A
Argentina	DeMotores S.A
South Korea	Encarsales.com Ltd
Malaysia	Red Book Automotive Services (M) Sdn Bhd
China	Red Book Automotive Data Services (Beijing) Limited
Thailand	Automotive Data Services (Thailand) Company Limited
Colombia	DeMotores Colombia S.A.S.
Mexico	carsales Mexico SAPI De CV

carsales' acquisitions and investments post-FY21 are not included above.



# GOVERNANCE STRUCTURE

We adopt a multi-layered governance approach to address the risks of modern slavery, as described below. More information about our corporate governance arrangements is set out in our [FY21 Corporate Governance Statement](#).



# GOVERNANCE FRAMEWORK

## GLOBAL CODE OF CONDUCT

Our [Global Code of Conduct](#) applies to all officeholders and employees. It prescribes high standards of behaviour reflecting both legal obligations and stakeholder expectations.

## SUPPLIER CODE OF CONDUCT

Suppliers are asked to adhere to our [Supplier Code of Conduct](#). This sets out required standards and behaviours – including respect for human rights and the avoidance of modern slavery in suppliers' own supply chains.

## GLOBAL WHISTLEBLOWING POLICY

Our [Global Whistleblower Policy](#) provides an independent whistleblower hotline, supported by Deloitte, to allow for confidential disclosure. We are committed to maintaining the anonymity of any whistleblower and providing the full protection required by law.

## PROCUREMENT FRAMEWORK

In FY21 we developed a new Procurement Framework, which will be fully rolled out across our Australian operations in FY22. The Framework ensures the integration of modern slavery risk controls into our procurement systems and processes. For example, in order to raise a Purchase Order, suppliers must have been asked to complete our Supplier Questionnaire and accept our Supplier Code of Conduct.

## HUMAN RIGHTS POLICY

We are committed to respecting human rights and complying with all laws in the countries in which we operate. Our Human Rights Policy reflects our commitment to the ten principles of the United Nations Global Compact.

## RISK MANAGEMENT POLICY

Our Risk Management Policy reflects a comprehensive strategy to identify, evaluate and mitigate the risks relevant to our operations. Modern slavery risks are covered by the Risk Management Policy and identified on carsales' Risk Register.

# SUSTAINABILITY STRATEGY

## SUSTAINABILITY REPORT 2021

We recently published our Sustainability Report for FY21, which complements this Statement. The Report:

- sets out our six 'sustainability pillars' of people, customer, community, innovation, governance and environment – our modern slavery reporting has been embedded into our governance pillar;
- acknowledges that we rely on a licence granted by our wider community and that this licence shall only be retained if we operate in a responsible manner consistent with societal values; and
- provides details about the relationship between our actions and our values.

Our FY21 Sustainability Report is available [here](#).



## WHO WE ANSWER TO

Every customer, both the individual who buys or sells a car or truck or boat and the businesses we partner with to help this happen. They expect us to provide 24/7 secure online access, give outstanding service and continually innovate to improve our platforms and customer experience.

Every employee, who expects to be fairly paid and treated, kept safe at work and given opportunities to build and develop a satisfying career.

Every community in which we operate, not only for providing local jobs and paying taxes but also for using our own, and our people's time, skills and money to help solve some of society's most intractable local and global problems.

Every supplier, large and small, who expects to be treated fairly and paid on time and as agreed.

Every investor, large and small, who expects us to provide a positive return on their investment and to operate successfully, ethically – and sustainably.

Society, which gives us a license to operate – but only provided we fulfil our responsibilities.

# OPERATIONS OVERVIEW

## OUR OPERATIONS

carsales.com Ltd is the #1 online automotive classifieds business in Australia, with a growing global presence in South Korea and Latin America. carsales also has a market leading position in non-automotive vehicle markets in Australia that connect buyers and sellers of bikes, boats, caravans, trucks and commercial equipment. We achieve this by using our global technology platform and intellectual property to bring together dealers, consumers and Original Equipment Manufacturers (OEMs) in one environment. Our aim is to make buying and selling a great experience for all of these stakeholders.

A range of complementary businesses are also part of our operations, including:

- **tyresales**, which is an online consumer tyre retailer;
- **RedBook**, which provides automotive data services; and
- **RedBook Inspect**, which provides vehicle inspection services.

More information about our operations is set out in our [FY21 Annual Report](#).



\* In May 2021, carsales entered into an agreement to acquire 49% of Trader Interactive.

# SUPPLY CHAIN OVERVIEW

As a predominantly online services business, our supply chains and modern slavery risk profile is lower than many similar sized businesses in other sectors. Nevertheless, we acknowledge that all businesses are subject to modern slavery risks, and some aspects of our operations and supply chains present heightened risks.

The supply chain review we carried out in FY20 identified over 1,000 first tier suppliers across our Australian and international entities. In FY21, approximately 140 entities were onboarded as new suppliers to our Australian businesses.

In FY21, our major spending categories included:

- **Technology** – such as software licences, hardware, cloud-based services and digital infrastructure;
- **Marketing** – such as events, sponsorships, advertising and merchandise;
- **Professional services** – such as consulting fees, specialist contractors, administrative support etc; and
- **Facilities** – office rent, capital improvements and support services (e.g. security, cleaning).



PART B –  
MODERN  
SLAVERY RISKS  
IN OUR  
OPERATIONS  
AND SUPPLY  
CHAINS



# IDENTIFYING RISKS IN OUR OPERATIONS

## OUR OPERATIONAL PROFILE

Our core business activity of creating digital marketplaces presents generally low operational modern slavery risks.

We employ a highly skilled and professional workforce, with direct employment constituting approximately 60% of our total cost. We have been accredited as a Great Place to Work® (2018-2021) and are a WGEA Employer of Choice (2015-2021).

## NEW OPERATIONAL AREAS

In FY21 we diversified into new operational areas that present a higher risk of modern slavery as compared to our existing operations:

- **RedBook Inspect:** In response to the COVID-19 pandemic, RedBook Inspect started providing cleaning and sanitisation services. The cleaning industry is associated with unskilled, temporary or seasonal labour.
- **Placie:** Our mobility-as-a-service mobile app allows users to compare and book a range of taxi and rideshare services. Whilst Placie provides an online platform only and does not provide or resell transport services, the personal transport industry relies on the use of unskilled, temporary or seasonal labour, which presents a higher modern slavery risk. In FY22 Placie will seek to work with its transport partners to mitigate their modern slavery risks.

## OTHER AREAS OF HIGHER OPERATIONAL RISK

We have also identified the following areas of our core operations as presenting a higher risk of modern slavery:

- **Offshore professional services:** We use offshore professional services, including services based in the Philippines. Such services present a higher geographical risk due to weaker local worker protection, as well as using temporary or foreign workers.
- **Contingent workforce:** Our labour force is supplemented by short-term contractors and labour hire arrangements on an as-needed basis. Most of our short-term contractors are also highly skilled professionals, presenting a low risk, however it is anticipated that our use of a contingent workforce will increase in FY22, in part due to warehouse workers associated with a tyre business acquisition in early FY22.

*Page 23 of this Statement provides details about how we mitigate these operational risks.*



# IDENTIFYING RISKS IN OUR SUPPLY CHAINS

Building on our review of high risk suppliers in FY20, in FY21 we implemented new processes to proactively assess the modern slavery risks posed by prospective suppliers to our Australian operations.

## DIGITAL SUPPLIER QUESTIONNAIRES

In FY21, we transitioned from a document-based questionnaire to a new online questionnaire. The online questionnaire:

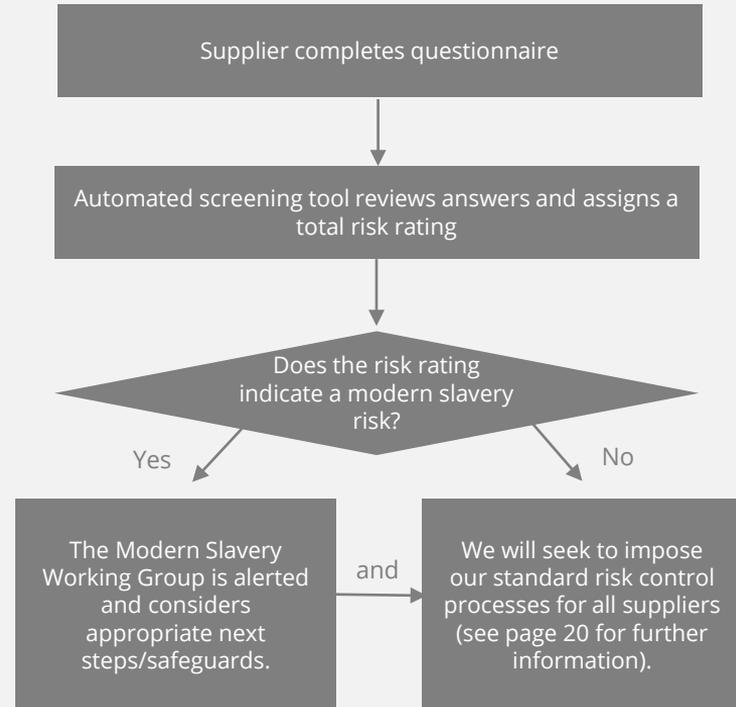
- dynamically adapts the questions posed based on the supplier's responses;
- provides enhanced record keeping and statistic generation capabilities;
- asks about a range of issues to gather information about the supplier's operations and own supply chains; and
- shifted carsales from a reactive assessment process (conducting risk assessments of existing suppliers), to a proactive process (assessing prospective suppliers), which in turn provides greater opportunity to influence supplier behaviour at a time when carsales has commercial leverage.

The questionnaire provides an opportunity for all of our suppliers to reflect on the issue of modern slavery, even where they are not required to submit their own modern slavery statement. In FY22, we will continue to refine our questionnaire in order to obtain the best information for risk-assessment purposes.

## AUTOMATED ASSESSMENT OF RESPONSES

Responses to our digital questionnaire are automatically assessed by our supplier screening tool. The screening tool assigns each supplier a risk rating based on the responses provided to the questionnaire. Where a supplier is calculated to present a modern slavery risk, the supplier's questionnaire answers are sent to our Modern Slavery Working Group for further consideration and action.

## SUPPLIER SCREENING PROCESS



# PRODUCT, SERVICE AND SECTOR RISKS

Our prospective suppliers are asked to provide information about the types of products and services they will be providing and the sectors in which they operate. Suppliers operating in the electronics, automotive, agricultural, mining/minerals, raw materials, garments, textiles, shipping, transport or construction sectors are considered to present a higher sector risk. Additionally, we have identified the following products and services that are relevant to our businesses and present a heightened modern slavery risk:

## TYRES

Our controlled entities Tyresales Pty Ltd and TyreConnect Pty Ltd (from Q1 FY22) provide tyre distribution services. Whilst neither company manufactures tyres, we acknowledge that the supply of rubber-based tyres is central to these companies' operations.

## MERCHANDISE

As a leading consumer brand, we purchase promotional t-shirts and other apparel from time to time. Apparel and clothing accessories imported into Australia present an elevated modern slavery risk.

## OFFSHORE PROFESSIONAL SERVICES

As discussed on page 13, use of offshore professional services gives rise to higher modern slavery risks.

## FACILITIES

To support the operations of our offices and facilities, we rely on support services including cleaning, hospitality, security, maintenance and construction. These industries have been identified as presenting a higher risk of modern slavery.

## TECHNOLOGY

We use a range of businesses for the supply of computers, mobile devices and other hardware. The supply of imported laptops, computers and mobile phones presents a heightened modern slavery risk.



# OTHER SUPPLY CHAIN RISKS



## GEOGRAPHIC RISK

We deem a supplier operating from a country with a “regional risk rating” greater than 30 in the Global Slavery Index 2018 to present a higher risk modern slavery risk.

In FY21, we expanded our questionnaire to ask suppliers not only about their own primary country of operation, but also the countries from where their own key suppliers operate. This provides us with greater visibility, deeper into our supply chains.

Where a supplier intends to provide services from a high risk country, our Modern Slavery Working Group is automatically notified and consults with the business to consider how the risk should be appropriately managed.

In FY22, we intend to implement more granular geographic risk controls, to better reflect the full spectrum of risks associated with each country of operations.

## SUPPLIER'S RISK MITIGATION STEPS

Prospective suppliers are asked a range of questions to understand the extent to which they have sought to manage modern slavery risks. Suppliers are asked a range of questions including whether they:

- have filed a Modern Slavery Statement under the *Modern Slavery Act 2018* or comparable international law;
- are aware of any historical incidents of modern slavery in their supply chains (and if so, the nature of such incidents);
- have implemented policies and procedures to manage modern slavery risks (and if so, provide details about such policies and procedures);
- provide training to employees about modern slavery;
- conduct audits of their operations and suppliers in relation to modern slavery risks; and
- require their suppliers to certify that materials incorporated into their final product were sourced, processed and manufactured in compliance with applicable laws.

PART C -  
ACTIONS TAKEN  
TO ASSESS AND  
ADDRESS RISKS



# ASSESSING SUPPLY CHAIN RISKS:

## LEARNING MORE ABOUT OUR SUPPLIERS

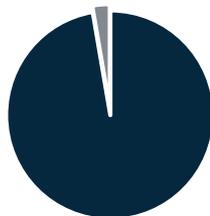
### SUPPLIER SCREENING PROCESS

Our new online supplier questionnaire tool provides interesting insights into our suppliers and helps us make informed risk-assessment decisions.

This initial data reflects the initial tranche of suppliers which responded to our online supplier questionnaire tool (not prior paper responses).

A wide range of suppliers to carsales' Australian business operations have completed the questionnaire, from sole traders to multi-national corporations, so the diversity of responses is unsurprising.

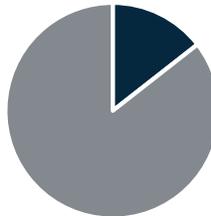
### DOES THE SUPPLIER AGREE TO COMPLY WITH OUR SUPPLIER CODE OF CONDUCT?



■ Yes ■ No

**97%** of suppliers agreed to comply with our [Supplier Code of Conduct](#). Where a supplier did not agree to comply, this was typically due to the supplier having its own code of conduct that was comparable to carsales' Code of Conduct.

### HAS THE SUPPLIER SUBMITTED ITS OWN MODERN SLAVERY STATEMENT?

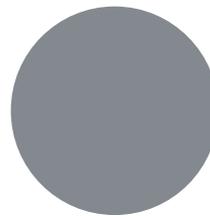


■ Yes ■ No

**17%** of suppliers had previously submitted their own Modern Slavery Statement in Australia or under a comparable international regime. This number is small as a large proportion of our suppliers were not subject to a modern slavery reporting regime.

Where a supplier is assessed as being higher risk, our Modern Slavery Working Group reviews the prospective supplier's Modern Slavery Statement to assess the steps taken by the supplier to mitigate the risks of modern slavery.

### HAS THE SUPPLIER HAD ANY INSTANCES OF KNOWN OR SUSPECTED MODERN SLAVERY IN ITS SUPPLY CHAINS?



■ Yes ■ No

**0%** of suppliers reported that they were aware of any known or suspected modern slavery instances in their supply chains.

In the event that a prospective supplier identifies a previous instance of modern slavery, our Modern Slavery Working Group would seek more information about the steps taken by the supplier to address the issue and mitigate the risks of future issues.

### WHAT POLICIES DOES THE SUPPLIER HAVE IN PLACE TO ADDRESS MODERN SLAVERY RISKS?

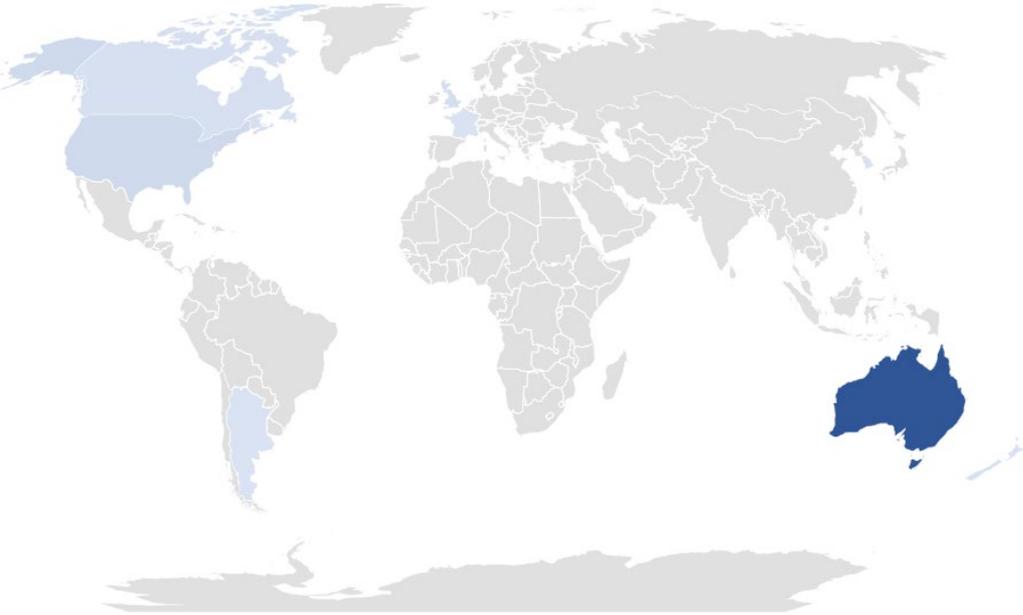


- Human rights/anti-slavery (18%)
- Recruitment (22%)
- Health & safety (26%)
- Anti-corruption (18%)
- Code of conduct (31%)
- Privacy (28%)
- Grievance mechanisms (14%)
- Whistleblowing (14%)

We collect information about the steps that our suppliers take to mitigate the risks of modern slavery in their supply chains.

Information about the policies that a supplier already has in place can help us to identify governance risk areas. In appropriate circumstances we may work with suppliers to help enhance their governance arrangements.

# ASSESSING SUPPLY CHAIN RISKS: GEOGRAPHIC RISK



## NEW SUPPLIERS FY21

In FY21, our Australian operations onboarded approximately 150 new suppliers. These suppliers were overwhelmingly based in Australia, or other countries identified to present a lower geographic risk of modern slavery in the *Global Slavery Index 2018*. Specifically, the geographic breakdown of new suppliers was as follows:

- 82% Australia
- 6% United States
- 3% United Kingdom
- 2% New Zealand
- 2% Canada
- 5% other (eg France, Israel, South Korea, Netherlands, Singapore and Argentina)

Whilst at first instance use of suppliers based in these locations may suggest a low risk of modern slavery, we recognise that these statistics do not represent the geographic distribution of the full depths of our supply chains. For that reason, in FY21 we started collecting more detailed information about deeper tiers of our supplier's supply chains. For example, we ask suppliers to identify key suppliers they will rely on to provide us with goods or services and provide details about those suppliers' countries of operation.

In FY22, we intend to roll out new processes to capture and assess similar information for our international subsidiaries, to help make more informed risk assessments about our suppliers across the global carsales Group.

# ADDRESSING SUPPLY CHAIN RISKS

## CONTRACTUAL CONTROLS

We seek to impose modern slavery clauses in all supplier contracts. Where possible, we impose the following contractual requirements:



### NOTIFICATION

Suppliers must notify us of any actual or suspected instances of modern slavery in their supply chains.



### RECORD KEEPING

Suppliers must keep sufficient records to enable carsales to verify the source of any goods or services supplied.



### AUDIT

Suppliers must provide us with reasonable access to their records and premises.



### TRAINING

Suppliers must cooperate with us to facilitate training of their employees and sub-suppliers.

## COMPLIANCE WITH CODE OF CONDUCT

We seek a commitment from suppliers to comply with our Supplier Code of Conduct. The Code of Conduct sets out expected standards and behaviours – including respect for human rights and absence of modern slavery in the suppliers' own supply chains.

## TERMINATING RELATIONSHIP WITH SUPPLIERS

We would prefer to engage constructively with our suppliers about modern slavery risks. However, where a supplier fails to adequately engage, or inadequately addresses a modern slavery incident, we may suspend or terminate our relationship with that supplier in appropriate circumstances. Our standard contract terms allow for such actions.

## ENGAGING WITH SUPPLIERS

We endeavour to proactively engage with suppliers about modern slavery issues before finalising the onboarding process. Our engagement with suppliers includes:

- assessing the supplier's existing arrangements in place to mitigate modern slavery risks (e.g. reviewing their Modern Slavery Statements, policies or procedures);
- advising suppliers about the importance carsales places on mitigating the risk of modern slavery;
- offering to provide training or explanatory materials to the supplier; and
- working together to develop strategies to mitigate the risk of modern slavery.

# WORKING WITH OUR SUPPLIERS



## CASE STUDY

In FY21 we engaged a new supplier to provide professional services from the Philippines. We identified that this arrangement presented modern slavery risks due to the geographic location and nature of services to be provided.

To manage these risks, we:

- conducted due-diligence to ensure the supplier was reputable and had experience providing services from the Philippines;
- chose a supplier that also operated in Australia;
- imposed rigorous contractual controls to require the supplier to:
  - provide a work environment that meets our prescribed standards (e.g. offices must be air-conditioned);
  - ensure workers work reasonable hours (not more than 8 consecutive hours including paid breaks – an hour for lunch and two 15 minute breaks);
  - comply with all applicable laws and our Supplier Code of Conduct;
  - implement and enforce its own Modern Slavery Policy, which must be reviewed and approved by us;
- agreed to fund social benefits for the supplier’s workers (e.g. lunches, movie tickets); and
- continue to monitor the supplier’s operations and compliance with our agreement.

# PROCUREMENT FRAMEWORK

In FY21, we developed a new Procurement Framework that will be fully rolled out across our Australian operations in FY22. Key features of the updated Procurement Framework will include:

## HOLISTIC ASSESSMENT OF SUPPLIERS

Suppliers must be assessed for their overall value, including:

- modern slavery risk factors and the supplier's mitigation strategies;
- the supplier's willingness to accept and comply with our Supplier Code of Conduct; and
- the supplier's reputation, any previous modern slavery incidents and willingness to comply with all applicable laws.

## EMBEDDING RISK MANAGEMENT PROCESSES

Practical changes to our procurement processes include:

- linking our Purchase Order finance approval process with our modern slavery risk analysis processes;
- automating requests to suppliers to complete a supplier questionnaire; and
- tightening the criteria of suppliers that must complete a questionnaire.

Procurement for our Australian entities is managed by our Australian-based legal and finance teams working together with relevant business units. Our international entities manage their own procurement arrangements. In FY22, we will seek to leverage our learnings from our Australian operations to enhance the procurement processes of our international subsidiaries.



# ADDRESSING OPERATIONAL RISKS

In FY21, we undertook the following actions to help address operational modern slavery risks:

- We engaged external legal experts to provide advice about higher risk operational activities (such as short-term labour hire arrangements).
- We conducted a review of our standard contractor terms in order to minimise modern slavery risk.
- We identified a range of higher risk suppliers that provide us with operational support services such as facility maintenance, cleaning and catering. We have taken a strong approach in requiring the co-operation of such companies, for example, by making clear we will not continue to engage suppliers who do not complete the questionnaire.
- Where necessary, we implement rigorous controls and monitoring. For example, where RedBook Inspect engages personnel in the cleaning industry, it deals only with reputable partners, implementing many of the steps detailed on page 20 and maintaining a high level of oversight. As this is a new area of operation, we will continue to monitor this area of operations closely into FY22.

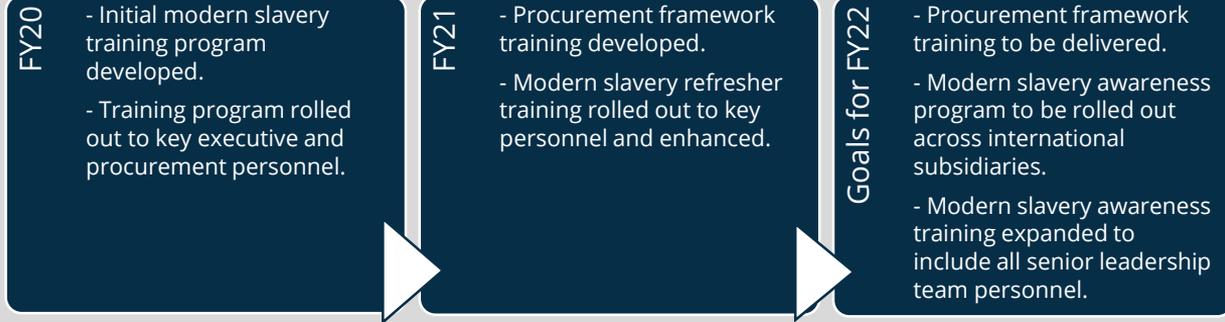


# TRAINING PROGRAM

## OUR APPROACH TO TRAINING

carsales adopts a multi-faceted approach to educating employees about modern slavery risks and how to manage them. In addition to our modern slavery awareness training, our international training program and procurement training programs also address modern slavery issues.

Where appropriate, we also seek a commitment from our suppliers that they will cooperate with any training reasonably requested by us.



## MODERN SLAVERY AWARENESS TRAINING

In FY21, we rolled out refresher modern slavery awareness training to key personnel. The interactive training is delivered via our e-learning platform and provides both a foundational understanding of modern slavery and practical guidance about how risks should be minimised. All participants must complete a quiz to assess understanding and make an employee declaration upon completion. Key staff will continue to be required to complete refresher training every 12 months.

## INTERNATIONAL TRAINING PROGRAM

We have developed an international training program for global compliance in respect of our Global Whistleblowing Policy, Human Rights Policy and Code of Conduct. This training is delivered locally in each country to ensure team members understand the applications of these policies in their jurisdiction.

## PROCUREMENT TRAINING

In FY22, we will roll out procurement training to executive and senior leadership team members, as well as relevant procurement personnel. This training will cover assessment of suppliers for modern slavery risks and supplier onboarding.

# PART D – ASSESSING OUR EFFECTIVENESS



# MEASURING EFFECTIVENESS

## DEFINING AND MEASURING EFFECTIVENESS

We are committed to continually improving our response to modern slavery risks. Improvement is not possible without accurately measuring the effectiveness of our existing measures.

We assess our effectiveness against our overarching modern slavery goals, which include:

- taking all reasonable steps to mitigate the risk of modern slavery arising in our operations and supply chains;
- promptly and efficiently managing any reports of potential or actual modern slavery incidents; and
- ensuring our employees, suppliers and other stakeholders are aligned with our vision and take tangible actions to address modern slavery risks.

We track our effectiveness using measures including:

- quantitative KPIs;
- liaising with external advisers about industry standards; and
- feedback from internal and external stakeholders.



For example, during our initial supplier audits, overseas suppliers in a range of jurisdictions were hesitant to complete supplier questionnaires, due to the absence of comparable modern slavery requirements in their own jurisdictions.

Based on this feedback, we are now working closely with our international subsidiaries to develop new strategies to engage with such suppliers, including producing translations of documents where required.

In FY20 we set quantitative KPIs against which to assess our effectiveness.

KPI	FY21 response
<b>Training KPI</b>	100% of executive management team and relevant procurement personnel have completed modern slavery awareness training.
<b>Supplier engagement KPI</b>	Our new Procurement Framework requires almost all new suppliers to complete our supplier questionnaire and undergo a risk assessment (as discussed on page 14), so this KPI is no longer used as a measure of effectiveness.
<b>Grievances KPI</b>	No modern slavery grievances were raised through our whistleblowing or other grievance mechanisms procedures in FY21.
<b>Remediation KPI</b>	No instances of modern slavery were identified in FY21, so no remediation activities were undertaken.

# ASSESSING EFFECTIVENESS AGAINST FY20 GOALS

FY20 goal	Our actions in FY21
Greater in-depth consultation with our owned and controlled entities	<p>In FY21, we acquired a number of new businesses in Australia, predominantly towards the end of the FY21 period. We have conducted preliminary work to align these new entities with our standard procurement and modern slavery risk mitigation processes. In FY22, we will continue this work and also carry out a full analysis of these entities' existing supply chains.</p> <p>We have continued to engage with our international controlled entities, including by implementing new procedures and techniques to better engage with their suppliers.</p>
Continuing to engage with suppliers	<p>We have pleasingly observed greater awareness and willingness to engage with modern slavery issues by many suppliers to our Australian businesses in FY21. Our supplier onboarding processes provide an opportunity to engage with our suppliers about modern slavery issues at the time we first engage suppliers. We have also consulted with a range of suppliers to seek feedback to improve our own processes.</p>
Ongoing training of employees	<p>In FY21, executive management as well as key procurement personnel were required to complete refresher modern slavery awareness training. The training is issued via our online e-training portal and covers the concept and history of modern slavery, as well as risk factors and mitigation steps. Further training about our new procurement processes will be rolled out in FY22. Key staff will continue to be required to complete refresher training every 12 months. More information about our training program is set out on page 24.</p>
Enhanced digital procurement processes	<p>In FY21, we deployed our new online questionnaire and automated screening tool, and developed updates to our Procurement Framework that underpins these processes. These changes are further described on page 14.</p>

# PART E - CONSULTATION



# CONSULTATION

This Statement was prepared in consultation with our Australian and international controlled entities.

## CONTROLLED ENTITIES

The consultation process involved consultation with:

- carsales.com Ltd's Board;
- our Risk Management Committee;
- relevant executive and senior leadership team members of controlled entities in Australia and overseas;
- relevant procurement personnel of controlled entities; and
- our Modern Slavery Working Group.

## MINORITY INTEREST ENTITIES

We hold a minority interest in various entities. Although these entities are outside the scope of this Statement, we have continued to engage with these entities, including by:

- setting out our expectations regarding modern slavery risk management;
- encouraging each entity to consider lodging a voluntary Statement in circumstances where the entity is not required to do so by the *Modern Slavery Act 2018*; and
- offering to work collaboratively on modern slavery training, policies and procedures.



# PART F - OTHER



# GOALS FOR FY22



## INTEGRATE NEW ACQUISITIONS

We will continue work transitioning the modern slavery processes of newly acquired businesses to reflect the approach of the broader carsales Group.

## LEVERAGE OUR EXPERIENCE INTERNATIONALLY

Building on our experience of deploying a more rigorous modern slavery framework in Australia, we will work with our international subsidiaries to develop greater uniformity of processes and systems across the global carsales Group.

## INCREASE VISIBILITY BEYOND THE FIRST TIER OF OUR SUPPLY CHAIN

In FY21, we started collecting more detailed data about the second tier of our supply chain (ie data about the key suppliers to our own suppliers). In FY22, we intend to continue to enhance our understanding of the full depths of our supply chains, especially in business areas identified as higher risk.

## REFINE OUR SCREENING TOOLS

We aim to:

- implement more granular and accurate automated assessment processes;
- strike an appropriate balance between collecting detailed information from suppliers, whilst not being overly onerous for lower risk suppliers; and
- improve awareness of supplier screening processes within our business, as part of the roll out of our Procurement Framework training.

## CONTINUE TO ENGAGE WITH OUR SUPPLIERS

In FY22 we will continue to engage with our suppliers around the world to improve modern slavery risk controls. This engagement may include educating smaller suppliers about the concept of modern slavery, reviewing the existing modern slavery arrangements of larger suppliers, or asking our suppliers to themselves engage with their own supply chains.

## ENHANCE OUR TRAINING PROGRAM

In FY22, modern slavery awareness training will be rolled out to all Senior Leadership Team members. We will also deliver new training about our Procurement Framework to those involved in procurement. Our international controlled entities will deploy modern slavery awareness training for their key personnel.

# APPROVAL

This Statement was approved by the carsales.com Ltd Board on 16 December 2021.

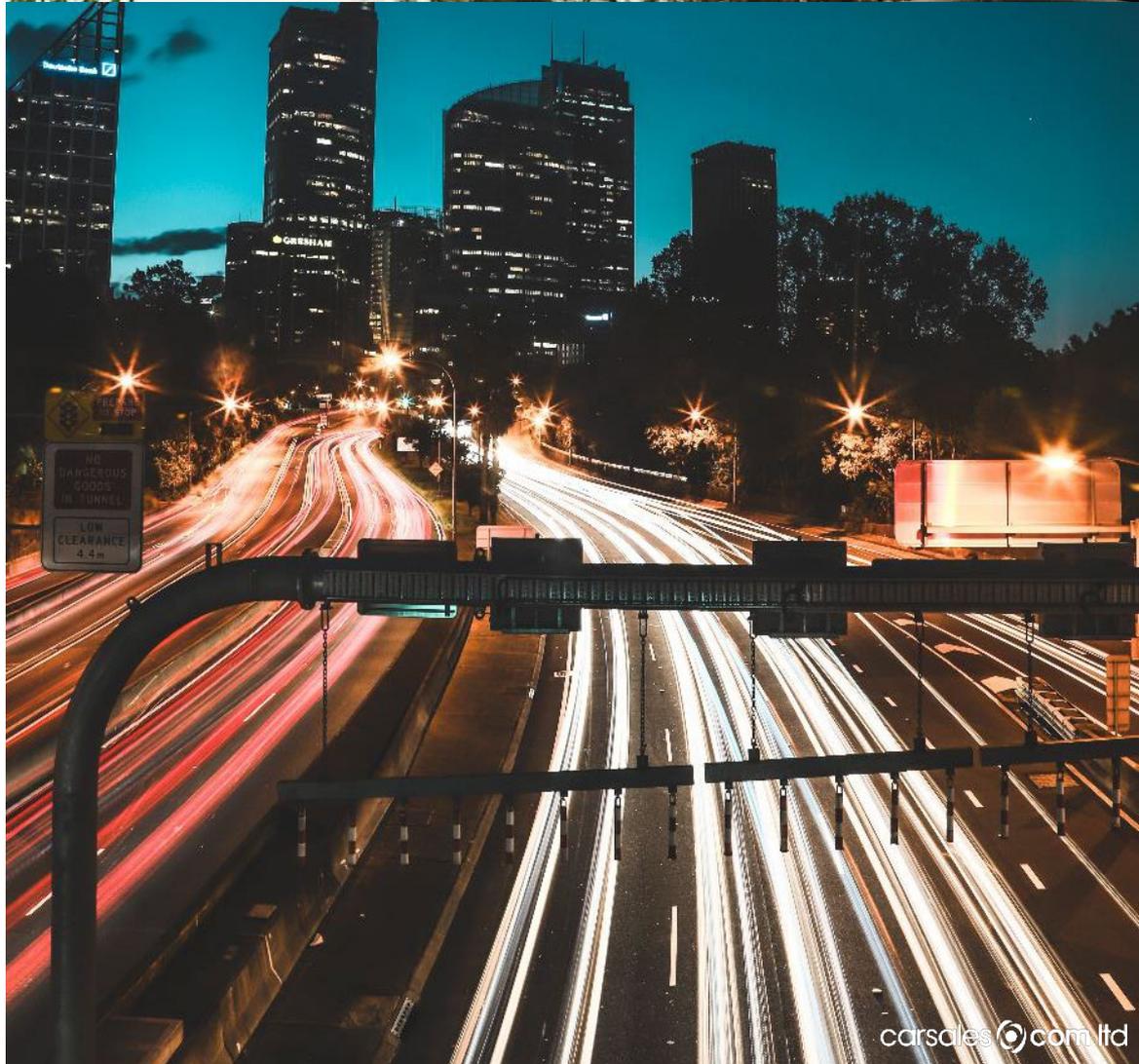


Cameron McIntyre  
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carsales.com Ltd



Pat O'Sullivan  
**Non-Executive Chair**  
for and on behalf of the Board  
of carsales.com Ltd

*For further information about carsales' corporate governance, policies and reports, please visit the carsales shareholder information website at: [shareholder.carsales.com.au](https://shareholder.carsales.com.au) or contact [pr@carsales.com.au](mailto:pr@carsales.com.au).*



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