



Modern Slavery Statement 2024-2025

Hino Motor Sales Australia Pty Ltd (ACN 064 989 724)

1. Introduction

- 1.1 This statement is prepared in accordance with section 13 of the *Modern Slavery Act 2018* (Cth) (**Act**) by Hino Motor Sales Australia Pty Ltd ACN 064 989 724 (**HMSA**). It covers the Japanese financial year between 1 April 2024 to 31 March 2025 (**Reporting Period**). This is HMSA's sixth statement and reports on the actions taken by HMSA during the Reporting Period to comply with the Act.
- 1.2 HMSA acknowledges the ongoing risk of modern slavery practices across various industries and economies and understands the role that corporate actors can play in eliminating, and promoting a systemic respect of, modern slavery.
- 1.3 HMSA remains firmly committed to ensuring that no element of modern slavery exists in its operations or supply chains.

2. Structure, Operations and Supply Chains

- 2.1 HMSA is a wholly owned subsidiary of 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. HMSA has no subsidiaries.
- 2.2 HML, which operates global manufacturing and supply chains, is HMSA's largest supplier. As a subsidiary of HML, HMSA is bound by the global policies implemented by its parent company. As a result, HMSA is bound by HML's global commitment and processes in ensuring compliance with relevant laws with respect to the elimination of modern slavery practices.
- 2.3 HML's global commitment to compliance with applicable human rights legislation is set out in, among other things, the HML Global Credo and the HML Global Code of Conduct. Relevantly, the HML Global Code of Conduct includes the following statement (under the heading 'Complying with Laws, Regulations and Rules'):

"We fulfill our responsibility as members of society by complying in both letter and spirit with domestic and overseas laws and regulations, social norms, and internal regulations and any other rules. In addition, we strive to acquire basic knowledge of applicable laws, regulations and rules and have a strong will that violation of these laws, regulations and rules shall not be permitted."

HML Code of Conduct, page 3.
- 2.4 In addition to the above, the HML Global Code of Conduct also states (under the heading '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.

- 2.5 As a wholly owned subsidiary of HML, HMSA is aligned to the ethical conduct, good corporate citizenship, and fundamental respect for human rights, guiding HML's global operations. Notwithstanding the application of HML's global policies, HMSA recognises that modern slavery risks can be informed by a range of factors which may differ in nature or size depending on the jurisdiction of operation. It is on this understanding that HMSA has supplemented HML's global policies with HMSA's own domestic policies and approaches to compliance with the Act (as further set out in section 4).

3. 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

- 3.1 HMSA is of the view that its operations and supply chains carry minimal risk of modern slavery practices.
- 3.2 This is based on HMSA's ongoing review of its Modern Slavery risks which comprises actions such as supply chain mapping, supplier screenings (Refinitiv screening), risk assessments, and the issuance of modern slavery questionnaires to selected suppliers. Each of these actions are explained below.

Refinitiv Screening

- 3.3 In the Reporting Period, HMSA has expanded its modern slavery risk assessment practices by introducing a supplier screening process whereby it screens new HMSA suppliers through the 'World-Check' record, a database run by Refinitiv (a subsidiary of Thomson Reuters) in its capacity as one of the world's largest providers of financial markets data and infrastructure (**Refinitiv Screening**). The Refinitiv Screening process is in place to assist in highlight any public ethical or compliance issues in HMSA's supplier database.
- 3.4 In the Reporting Period, HMSA engaged 20 new suppliers upon which it conducted the Refinitiv Screening. The screening did reveal adverse reports against any of the new suppliers. This means that there is no public record, media report, sanction, or regulatory finding linking those suppliers to modern slavery, forced labour, human trafficking, or related issues.
- 3.5 HMSA understands that the results of this screening do not guarantee the absence of modern slavery in its supply chains, but it does consider that these results are a good indication that modern slavery risk in the new suppliers screened is low.

Supply chain mapping

- 3.6 HMSA continued its practice of comprehensively mapping its supply chains and operations in this Reporting Period. HMSA carried out this process by populating and maintaining a database of all its suppliers which records, amongst other things, details of that supplier and that supplier's annual spend with HMSA. HMSA is seeking, over future Reporting Periods, to increase the information recorded for each supplier (such as, for example, the number of employees that supplier employs, incident history etc). HMSA commenced its risk reviews by reference to its annual spend with that supplier and has progressively reduced this threshold. The current threshold is an annual spend of \$75,000.

Risk assessment

- 3.7 HMSA uses the information recorded in that database to conduct its risk assessment. HMSA excludes its parent company suppliers from this process in reliance of the Toyota Group's commitment to compliance with human rights requirements in all jurisdictions in which it operates. Information used in making this assessment includes industry type and subjective awareness of an at-risk business model.
- 3.8 In assessing the risk in its chain of suppliers, HMSA considers the following factors:
- (a) **geography**, including: the extent to which the supplier's geographic location is subject to, has implemented, or enforces, international human rights and instruments; whether and to what degree the location has implemented and enforced domestic human rights legislation; the degree of regulatory transparency in the supplier's geographic location with respect to human rights violations, the rule of law, and corruption; and whether the supplier's jurisdiction is subject to known conflict, corruption or civil strife.
 - (b) **industry**, including: the existence of any labour laws applicable to that industry of operation; the strength and degree of any regulatory oversight with respect to that industry; whether the relevant market is known for use of unskilled, seasonal, or temporary labour, or the engagement of migrants or any vulnerable communities; and whether the products produced by that supplier, or in that industry, may be sourced or derived from components or materials obtained from other industries with ineffective or non-existent regulations; and whether that particular industry has been subject to any international reviews, discussion papers, or coverage published by any of the NGOs, or international human rights bodies, with respect to human rights violations.
 - (c) **size**, in the respect that smaller suppliers may be more susceptible to modern slavery risks due to less interaction with governance or regulatory bodies, with less exposure to detection.
- 3.9 Generally, with respect to these factors, we note that HMSA's suppliers are, other than its related bodies corporate, all companies registered in Australia or New Zealand. On this basis, its suppliers do not fall within the category of geographical risk identified as posing a comparatively higher risk of modern slavery.

Modern Slavery Questionnaire

- 3.10 HMSA issued its modern slavery questionnaire to select suppliers. The questions comprising the questionnaire are designed to give HMSA a comprehensive understanding of that supplier's own operations and supply chains, exposure to modern slavery risks, and general compliance with the Act. Relevantly, it expressly requires suppliers to confirm whether that supplier detected any instance of modern slavery practices in its own operations or supply chains. Further specifics with respect to HMSA's modern slavery questionnaire are set out under section 4 of this statement.
- 3.11 All suppliers who responded to the Modern Slavery Questionnaire expressly confirmed that they did not identify any Modern Slavery practices in their own operations or supply chains.
- 3.12 Considering the outcomes of these mechanisms in their totality, HMSA has reached the view that there is minimal Modern Slavery risk in its supply chains for this Reporting Period.

4. 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

Overview of actions taking in Reporting Period

4.1 Actions taken during this Reporting Period include:

- (a) continuing the practice of issuing an expanded Modern Slavery Questionnaire to its suppliers;
- (b) continuing to disseminate a regular internal modern slavery bulletin to staff, (this was implemented in the most recent Reporting Period);
- (c) regularly reminding suppliers of HMSA's and suppliers' obligations under the Act as set out in HMSA's Supplier Code of Conduct;
- (d) continuing HMSA's practice of requiring prospective suppliers to sign a supplier contract which contains express clauses with respect to the Act; and
- (e) reinforcing HMSA's corporate commitment to compliance with the Act by its senior management.

Further explanation of each of these actions is provided under the corresponding headings below.

Modern Slavery Questionnaire

4.2 HMSA has continued its expanded approach to Modern Slavery Questionnaires established in the previous reporting period. This included increasing the:

- (a) **number and scope of questions asked**, including new questions regarding remediation procedures, due diligence measures adopted by the supplier in relation to its own supply chains and operations, imposition of pecuniary penalties on employees, and disclosure of whether any part of its operations are conducted in high risk countries; and
- (b) **number of suppliers** to whom the questionnaire was issued.

4.3 In the Reporting Period, HMSA maintained the reduced financial threshold of \$75,000 for identifying suppliers to be included in its modern slavery reporting and risk assessment processes, including those to whom the Modern Slavery Questionnaire should be sent. In recognition that risks of modern slavery practices correspond to a variety of variables, HMSA has been in the process of considering further reduction in this financial threshold as a way of further extending the parameters of its risk assessment in future reporting period.

4.4 Under the current financial threshold, HMSA sent Supplier Questionnaires to 134 suppliers comprising those with an annual gross spend of at least \$75,000. The questionnaires were sent to relevant suppliers in August 2024.

4.5 As at the end of this Reporting Period:

- (a) HMSA received 83 responses to its modern slavery questionnaires, which is a response rate of approximately 62%. This represents a significant increase from the response rate of 38.4% in the previous reporting period; and

- (b) all the responses received by HMSA in relation to its modern slavery questionnaire satisfied HMSA that modern slavery risks are being adequately managed by its suppliers.
- 4.6 In line with previous reporting periods, HMSA continues to implement a range of methods to follow-up suppliers who have not responded to the questionnaire within the prescribed timeframe, including scheduled email reminders, phone calls, and telephone follow-ups. In this Reporting Period, HMSA issued two reminder emails in the month of October 2024, following its issuance of Modern Slavery Questionnaires in August 2024. These proactive reminders were issued in alignment with its positive obligations to undertake due diligence in relation to supply chains.
- 4.7 The Modern Slavery Questionnaires were sent under cover of a letter signed by the President and CEO of HMSA, which:
 - (a) provides a brief explanation of modern slavery;
 - (b) re-states HMSA's commitment to compliance with the Act and the rights-based principles underpinning the Act;
 - (c) explains how to answer the Modern Slavery Questionnaire; and
 - (d) provides a link to the HMSA Supplier Standards Code of Conduct.
- 4.8 HMSA's expanded and comprehensive Modern Slavery Questionnaire procedure acknowledges that Modern Slavery risk can subsist in the supply chains of its own suppliers.

Whistleblower Policy

- 4.9 HMSA has implemented a Whistleblower Policy which, amongst other things:
 - (a) sets out its commitment to standards of conduct and ethical behaviour;
 - (b) encourages all employees to raise concerns and report instances of unethical, illegal, fraudulent, or undesirable conduct involving HMSA's business and provides protections and measures so that those persons who make a report may do so confidentially and without fear of intimidation, disadvantage or reprisal;
 - (c) sets out the existence of the HMSA External Whistleblower Protection Officer and Global Hotline as mechanisms through which employees can confidentially report incidents or suspected incidents of Reportable Conduct.
- 4.10 In the Reporting Period, HMSA conducted a review of its Whistleblower Policy and took steps to draw its employees' attention to its existence. On or about 10 April 2024, HMSA finalised its review of the Whistleblower Policy and presented it to HMSA staff at one of its regular Town Hall meetings.

Informational Modern Slavery Bulletin

- 4.11 On 21 August 2024 in this Reporting Period, HMSA continued the circulation of an annual informative modern slavery bulletin, which it circulated to its employees for the first time in the previous reporting period (**Modern Slavery Bulletin**).
- 4.12 This bulletin comprises part of HMSA's efforts in performing its due diligence obligations under the Act and was circulated on the understanding that:

- (a) as per Principles 15 and 17 of the UN Guiding Principles, due diligence includes developing and implementing internal training to raise organisational awareness about modern slavery, and HMSA's obligations under the Act (specifically under the example appearing under section 16(1) of the Act); and
 - (b) an organisational culture which respects human rights and compliance with the Act will strengthen an organisation's ability to effectively detect, prevent, and respond to, issues of modern slavery.
- 4.13 In this Reporting Period, the Modern Slavery Bulletin provided information to its employees about:
- (a) what modern slavery is, and examples of how it may manifest;
 - (b) what the Act requires of HMSA;
 - (c) HMSA's firm stance against modern slavery, and the policies in place within HMSA which further set out this position; and
 - (d) what procedures are in place for HMSA employees to report suspected or known violations of modern slavery.
- 4.14 It was also updated in this Reporting Period to include information about the recent amendment to the *Modern Slavery Act 2018* (Cth) which established the Federal Anti-Slavery Commissioner, and the Australian Government's response to the independent statutory review of the Act prepared by Professor John McMillan AO.
- 4.15 HMSA recognises that in order for its grievance mechanisms to be effective, they must be accessible, legitimate, confidential, and able to be used without fear of attracting reprisal or discipline. On this understanding, HMSA used this bulletin as an opportunity to raise internal awareness about HMSA's whistle-blower policy, which remains available to all HMSA employees to report any actual or suspected breaches of the Act.
- 4.16 HMSA is considering circulating further modern slavery bulletins designed to build on information previously circulated by way of earlier bulletins.

Supplier Standards Code of Conduct

- 4.17 HMSA introduced a Supplier Standards Code of Conduct during the 2019-2020 reporting period which is available on the HMSA website. Since July 2020, all new supplier contracts entered into by HMSA have contained the express requirement that new suppliers comply with the Supplier Standards Code of Conduct.
- 4.18 The covering letter under which the Modern Slavery Questionnaire was enclosed (see paragraph 4.7) also included a link to the Supplier Standards Code of Conduct. In this way, HMSA has sought to reaffirm its commitment to the terms of the Supplier Standards Code of Conduct again through this Reporting Period.
- 4.19 The Supplier Standards Code of Conduct highlights HMSA's corporate values and prescribes the non-negotiable, minimum standards to which HMSA expects all suppliers to adhere. The Supplier Standards 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."

- 4.20 In addition, the Supplier Standards Code of Conduct expressly states that HMSA has reporting obligations under the Act and that suppliers are required to confirm their compliance with the Act to HMSA upon request, stating:

"Given that Hino has reporting requirements mandated by Australian law, suppliers must be willing to confirm their compliance, in writing, with applicable laws and standards relating to Modern Slavery. This may include providing Hino with requested materials confirming such compliance. These materials should contain truthful and complete information and should be provided in a timely manner. Suppliers are expected to have their own mechanisms for detecting instances of non-compliance within their operations and supply chains and report any instances of non-compliance to Hino."

- 4.21 Suppliers are expressly required to notify HMSA in the event of suspected or actual breach of any provision of the Supplier Standards Code of Conduct. In this way, HMSA is, and has been, 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.

Supplier Contracts

- 4.22 All HMSA-generated supplier contracts 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'.
- 4.23 HMSA reserves the right, as an express provision in its supplier contract precedent, to terminate that supplier's engagement if that supplier is found to have engaged in modern slavery practices.

Senior Management Commitment

- 4.24 HMSA's President and CEO, Mr Richard Emery, reaffirmed HMSA's commitment to anti-modern slavery to HMSA staff and suppliers.

5. Assessing the effectiveness of such actions

- 5.1 In this Reporting Period, HMSA took a number of steps to assess the effectiveness of its actions which are consistent with its approach in previous reporting periods. While HMSA is of the view that its modern slavery policies and procedures are consistent with the nature of its business and its ongoing risk assessments, it also recognises the importance of evaluating these policies and procedures. Monitoring and measuring the results of HMSA's modern slavery policies will give HMSA insight into the effectiveness of these policies, and the areas in which HMSA may direct its efforts in continuous improvement across reporting periods.
- 5.2 In this Reporting Period, HMSA convened a modern slavery meeting with HMSA's external legal advisers which:
- (a) advised HMSA as to its existing policies and procedure; and

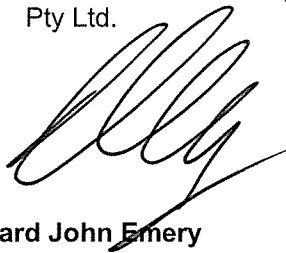
- (b) discussed potential strategies which could be implemented over future reporting periods in furtherance of HMSA's obligations under the Act.
- 5.3 HMSA's legal advisers did not identify any material failures with respect to HMSA's compliance under the Act.
- 5.4 HMSA also assesses the effectiveness of its modern slavery policies by looking at the results of its modern slavery questionnaire. Specifically, HMSA reviews:
 - (a) the response rate to those modern slavery questionnaires;
 - (b) the completeness of responses provided; and
 - (c) general supplier engagement with the process.
- 5.5 In future reporting periods, HMSA hopes to further develop and implement its multi-faceted approach to its compliance obligations under the Act. If any suppliers are identified as being high-risk, HMSA will further inquire with that supplier to ensure compliance.

6. 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.

7. Conclusion

- 7.1 HMSA is proud of the progress achieved in this Reporting Period in building on the mechanisms established in previous reporting periods. It understands that the elimination of modern slavery practices worldwide is an ongoing challenge that requires sustained effort and vigilance from corporate actors. HMSA remains fully committed to continuous improvement across future reporting periods, responsible business practices, and compliance with the Act.
- 7.2 This statement was approved by the Board of Directors of Hino Motor Sales Australia Pty Ltd.



Richard John Emery

President and CEO of Hino Motor Sales
Australia



Michael Andrew Tentomas

Company Secretary