



MODERN SLAVERY STATEMENT
COX AUTOMOTIVE

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THE REPORTING ENTITIES AND THE CONSULTATION PROCESS

Cox Automotive Australia Pty Ltd (ACN 090 535 505) (CAA) is an Australian privately owned company with headquarters in Melbourne. CAA is part of the international Cox Automotive group, which is an international automotive service provider, with solutions that help dealers, manufacturers, fleet companies and leasing firms add value and improve business performance in the digital transformation era. CAA and one of its subsidiaries, Manheim Pty Ltd (ACN 089 074 206) (Manheim) are reporting entities under the Modern Slavery Act 2018 (Cth) (Act) (together, Reporting Entities). This Modern Slavery Statement (Statement) is a joint statement that covers the Reporting Entities.

The Reporting Entities are committed to this annual Statement, released to the Australian Border Force for publication on the central register of Modern Slavery Statements in the first half of 2022. The Statement aims to identify, assess and address the risk of Modern Slavery within our business and supply chains.

The Statement has been prepared in consultation with the Reporting Entities and their subsidiaries. There has been significant discussion between our shared services at the Reporting Entities level, including within the Finance, IT, Legal and Compliance, Marketing and People Solutions teams. The Reporting Entities shared services have connected in a joint working group, led by the Legal and Compliance team to provide a 360-degree perspective on the Modern Slavery risks. Specialist teams such as Business Improvement and the senior business stakeholders were also engaged for their insight into Modern Slavery risks affecting Reporting Entities.

As part of our integrated approach to the management of Modern Slavery risk, the Reporting Entities have communicated and explained our commitments and expectations regarding Modern Slavery more broadly within our business, and we intend to enhance that communication even further in the future. The Reporting Entities and the Cox international group, share a commitment to continuous improvement in the management of Modern Slavery risk and the improvement of human rights and working conditions in all our operations and supply chains. The Legal and Compliance team has consulted Cox internationally to go above and beyond to confirm that the Cox international group meets the Modern Slavery legal requirements in their jurisdictions. Collaboration with the Cox international group has provided a pathway to reach compliance maturity and highlighted the initiatives to manage Modern Slavery risk with an industry viewpoint.

The Reporting Entities' Executive Risk Management Committee has diligently reviewed this Statement with a top-down view to ensure maximum consultation across the business and to provide governance. The Executive Risk Management Committee meets regularly with a focus on the enterprise level risks identified across the Reporting Entities. Progress against objectives set by each risk owner is reviewed and then the Executive Risk Management Committee then provides a report on the Enterprise Risk Register to the Reporting Entities' Board as well as the International Enterprise Risk Management team.

STATEMENT ON PREVENTING MODERN SLAVERY

Modern Slavery is a crime which results in the abhorrent abuse of the human rights of vulnerable workers. The Reporting Entities are committed to acting ethically, with integrity and transparency in all its business dealings and relationships and supports the Act's principles. We will implement effective systems and controls to monitor and ensure that Modern Slavery and human trafficking are not taking place either within our own business or in any part of our supply chain, in compliance with the Act. We have published our Modern Slavery Policy on the CAA website and provide bi-annual training to all employees.

The Reporting Entities expect the same high standards from its suppliers, contractors, and other business partners, and as part of its contracting processes includes specific prohibitions against the use of Modern Slavery. In turn we expect our suppliers to hold their own supply chains to these high standards.

STRUCTURE

CAA is the Australian parent company of a group of companies which own and operate several businesses, brands and products across Australia and New Zealand. It is the sole shareholder of Manheim and is responsible for the governance arrangements for Manheim.

Manheim provides automotive remarketing services in Australia and has operational sites in each State and Territory of Australia.

The head office for CAA and Manheim is at 4 Gordon Luck Avenue, Altona North, Victoria. The Reporting Entities' shared services, including Finance, IT, Legal and Compliance, Marketing, Work Health and Safety and People Solutions are based at the head office.

OPERATIONS

CAA owns and operates businesses offering solutions across all pillars of the automotive ecosystem, from inventory management and reconditioning to digital marketing, dealer management systems and after-sales loyalty. CAA focuses on delivering and improving products and services to create faster vehicle transactions, enabling consumers to have a seamless online-to-offline experience.

As one of Australia's leading providers of automotive remarketing services, Manheim caters for the needs of a diverse range of industry sectors. The business

provides comprehensive remarketing solutions for passenger cars, commercial vehicles, light and heavy trucks, motorcycles, boats and recreational vehicles as well as machinery, plant and equipment. Manheim also provides specialist services to the insurance industry for the remarketing of damaged items from these sectors. Manheim holds regular trade and public auctions for passenger cars and commercial vehicles, 4WDs, damaged vehicles and trucks and machinery online and in person.

SUPPLY CHAINS

The Reporting Entities' supply chain is largely Australian based with a small number of services purchased from overseas companies. The key suppliers for the Reporting Entities include professional services, HR, marketing, insurance agents and IT providers and service providers within the transport, mechanical, storage and equipment industries. These providers include local carrier services that service our National Transport team in transporting vehicles and machinery across sites and local mechanics and repairers that service our re-marketing division in assisting with sales on behalf of our customers.

The Reporting Entities are committed to obtaining and retaining high quality goods and services at a market competitive price whilst also ensuring they are from sources which have not breached human rights. We aim to develop strong partnerships with our suppliers, based on mutual trust, understanding and respect and shared ethical values.

We expect our suppliers to adhere to business principles consistent with our own:

- (i) to ensure that their products and services are produced and delivered to comply with all legislation relevant to their business; and
- (ii) to ensure they adopt and implement acceptable safety, environmental, product quality, labour, human rights, social and legal standards in line with our own code and to ensure these issues are acceptably managed within the supply chain for any products supplied to us.

RISK OF MODERN SLAVERY IN THE OPERATIONS AND SUPPLY CHAINS

Based on a thorough review of our supply chains, the Reporting Entities consider the residual risk of Modern Slavery across the Reporting Entities and the entities they own and control as low. We monitor and address Modern Slavery risks within our internal operations through our relevant policies and practices.

We understand that Modern Slavery can happen in any industry and any country and can take any form including trafficking in persons, slavery, servitude,

forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour.

The Reporting Entities have undertaken a review of its business and that of the entities it owns or controls, and the following areas of potential risks were identified:

- suppliers who are based overseas, particularly where those businesses may be in countries with less robust human rights legislation than in Australia;
- agency or contractor workers who may be vulnerable to abuse by their employer;
- general suppliers who may subcontract their services or purchase without ensuring adequate due diligence; and
- excessive working hours and breach of work health and safety obligations.

ACTIONS TAKEN TO ASSESS AND ADDRESS THE MODERN SLAVERY RISKS

In 2021, the risk of Modern Slavery was included in the Enterprise Risk Register, reflecting the seriousness placed by the Reporting Entities. The Executive Risk Management Committee provides essential governance framework over risk management. The risk of Modern Slavery was considered against the adopted risk methodology and assessed as being below the enterprise level risk severity and frequency threshold.

TRAINING, AWARENESS AND REPORTING

The Reporting Entities have an online learning management system combined with a robust course library. It enables targeted learning, boosts employee experience and loyalty, and protects the brand by keeping the Reporting Entities compliant with the Act.

A professional training module on Modern Slavery is included on the learning management system. This has been implemented as a mandatory module at employee induction stage, with a refresher at 2-year intervals. All existing employees are enrolled in the course and completion rates are monitored. Any concerns or questions regarding the risk of Modern Slavery practices within our operations or supply chain are reported to the Legal and Compliance team via the Compliance inbox. All reports related to the risk or instance of Modern Slavery are entered into the dedicated register and addressed based on the investigation procedure in place.

YEAR ON YEAR IMPROVEMENTS TO PROCESS

As a result of the ongoing focus on preventing Modern Slavery, the following improvements have been made:

- In August 2021, Manheim Transport Supplier Compliance Programme was introduced for new suppliers being onboarded as well as our top existing suppliers, going above and beyond supply chain checks. This involves a compliance pack which includes the SLA and Terms and

Conditions that explicitly require the supplier to represent and warrant that it will comply with all applicable Modern Slavery applicable laws. This project has been supported by the CAA Program Manager – Transformation and their team.

- The Reporting Entities' Whistleblowing Policy was developed in October 2021, to provide an improved governance framework, procedure for reporting and a wider level of coverage than the previous Manheim Whistleblowing Policy. The business has listed several Protected Disclosure Officers for internal escalation of any wrongdoing. These channels are published on the intranet and will be published on the company website.
- In March 2022, the Legal and Compliance team documented the Reporting Entities' Code of Conduct and required mandatory attestation from all team members with the support of the People Solutions team. The Reporting Entities' Code of Conduct is available on the intranet and will be published on the company website.
- The Reporting Entities' Executive Risk Management Committee will continue to monitor the risks associated with Modern Slavery and the effectiveness of the steps undertaken in both the operations and the supply chain to eradicate any form of slavery, in line with the UN Guiding Principles.





- We will continue to take additional steps to improve our procurement framework to address the risk of Modern Slavery in our supply chain. Our current roadmap includes the following next steps:
- A Reporting Entities' contract register to be developed by the Legal and Compliance team. This requirement has been included in the Enterprise Risk Register. This will allow consistency in supplier contracts reviewed by the Legal and Compliance team and an inclusion of a provision to warrant compliance to the Act where practicable
- Reporting Entities contracts with agency worker providers to be reviewed and refreshed by the Legal and Compliance team to include a provision warranting compliance to the Act
- All employment contracts to confirm Reporting Entities' commitment to the Act and will include a requirement of the same from the employees
- The development of a Reporting Entities' Master Service Agreement which will include a clause for all suppliers to understand the applicable laws and regulations including the Act and provide confirmation of their compliance

REPORTING ENTITIES POLICIES

The Reporting Entities monitor and addresses human rights issues in our operations under the relevant policies and practices. The People Solutions team has documented policies and guidance covering all aspects of Australian legislation encompassing employment and providing employees with clear standards for legal and compliance.

- The Reporting Entities' Supplier Code of Conduct highlights the high standards expected from its suppliers, contractors and other business partners, including specific prohibitions against the use of Modern Slavery. The Supplier Code of Conduct is published and available on the CAA website. In turn, we expect our suppliers to hold their own supply chains to these high standards.
- The Reporting Entities' Modern Slavery Policy outlines our approach to reducing the risk of Modern Slavery practices within our supply chains and operations. The Modern Slavery Policy is published on the Reporting Entities intranet and will be published on the company website to provide guidance on support available to our people if they become aware of circumstances where someone is at risk of or affected by Modern Slavery practices.

- The Reporting Entities' Harassment and Bullying Prevention policy is in place to guide the expected ongoing level of behaviour. The Reporting Entities will always recruit the best person for the job and will not discriminate based on protected characteristics such as age, disability, gender, gender reassignment, marital or civil partnership, pregnancy and maternity, race, colour, nationality, ethnic origin, religion or belief, and sexual orientation.

The Reporting Entities adhere to the following principles in respect of our employees:

- We treat all employees fairly and honestly. All employees have agreed terms and conditions in accordance with legislation and will be given appropriate skills training
- We pay a fair wage reflecting market conditions and always meet any national minimum wage
- Working hours are not excessive and comply with industry guidelines and national standards where they exist
- We do not employ illegal child labour, forced or bonded labour, forced overtime or condone illegal child labour

- Team members have the rights of freedom of association and collective bargaining. We respect the right of our team members to choose whether to join a trade union without influence from management
- We negotiate in good faith with any properly elected representatives of our employees
- We abide by the non-discrimination laws where we operate our business
- We do not use or condone the use of corporal punishment, mental or physical coercion or verbal abuse. We have disciplinary procedures for any member of staff whose conduct falls below the required standard
- We have formal grievance procedures through which staff can raise personal and work-related issues

DUE DILIGENCE PROCESSES

Employees: The Reporting Entities' recruitment process includes robust controls to validate the ID of any prospective employee and ensure that they have proof of Right to Work. The Reporting Entities require all its employees undertake training to understand its core principles, which are to create and sustain a positive working environment where everyone is equally valued and treated fairly with respect and dignity all times. In addition, the Reporting Entities have in place a Recruitment Policy and a Discrimination, Harassment and Bullying Prevention Policy.

The Reporting Entities employ all staff under CAA and have standardised fair employment agreements to address the risk of underpaid and unpaid work and ensure work health and safety is paramount.

Suppliers: The Reporting Entities are still in the process of understanding the supply chains across the various business areas. For instance, all IT vendors have been classified as critical or otherwise. All critical vendors are required to complete an assessment questionnaire on an annual basis that to indicate compliance with all applicable laws and regulations.

The non-critical vendors are currently required to complete the compliance questionnaire as a one off as part of on-boarding.

The Finance team mitigates the risk of Modern Slavery in its supply chain by engaging repeat vendors with good track records. For vendors such as Tax and Audit consultants, the Reporting Entities work with the Cox International business partners with Australian presence. These vendors have been screened and selected based on thorough procurement due diligence procedures. Finally, terms and conditions for contracts with local job agencies are drafted via the Legal and Compliance team based on the stand requirement to be compliant with the local Australian laws and regulations.

Our focus on Chain of Responsibility has driven us to engage specialist service providers. There was mandatory training delivered and we there is a training register to ensure participation. The business has developed a questionnaire for Manheim Transport carrier companies to ensure they are compliant with legislation.


ASSESSMENT OF THE EFFECTIVENESS OF SUCH ACTIONS

The Reporting Entities are committed to advancing the maturity and ensuring that appropriate action is taken to identify, assess and mitigate the risks of modern slavery in our organisation and supply chains. The measures include:

- Regular review of the Enterprise Risk Register with a continued focus on identifying Modern Slavery Risks and action taken to reduce Modern Slavery Risk within the supply chain
- Communication to all staff providing insight in how to identify Modern Slavery Risk, how to escalate and report them through the relevant channels mentioned on the Code of Conduct, Whistleblower Policy and Modern Slavery Policy
- Regular review of the Modern Slavery register that captures any relevant reports made to the Compliance inbox by the Legal and Compliance team and escalations to the Executive Risk Management Committee

- Bi-annual training on Modern Slavery to be completed by all Reporting Entities' team members. The Reporting Entities are committed to acting ethically and with integrity and transparency in all its business dealings and relationships. This training module is designed to increase awareness about all forms of Modern Slavery, the indicators of Modern Slavery, protections that are available, best practice and referral pathways within the Reporting Entities. This initiative is in line with one of the Reporting Entities' values 'Doing the right thing' and supporting the communities our businesses operate in
- The Reporting Entities have a Senior Risk and Compliance Officer responsible for managing the operational, regulatory and legal compliance objectives. The Senior Risk and Compliance Officer manages the compliance function, conducts internal operational audits, develops and implements improved processes for compliance best practice. Any deviations or lapses are reported to the Reporting Entities' executive leadership team and/or the Executive Risk Management Committee.





This Statement was approved for and on behalf of the Reporting Entities by the Board of Directors of the Reporting Entities on 23 June 2022, the Chief Executive Officer of the Reporting Entities on 23 June 2022 and the Board of Directors of Manheim on 23 June 2022.



Murray Naismith
Director - Reporting Entities and Chief Financial Officer



Robert Whiten
Chief Executive Officer, Reporting Entities



Charles Cumming
Chief Executive Officer (Director), Manheim

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