



LSH AUTO

LSH Auto Australia

MODERN SLAVERY STATEMENT

2020



1. Introduction

This statement is made by LSH Auto (Sydney) Pty Ltd (ACN 604 103 915), LSH Auto (Brisbane) Pty Ltd (ACN 606 816 497) and LSH Auto (Melbourne) Pty Ltd (ACN 618 554 635) (**LSH Auto Australia, we, us, our**) and describes the steps we took during the financial year ending 30th June 2020 to seek to minimise the risk of modern slavery occurring in our business and supply chains.

2. Our Structure, Operations and Supply Chains

LSH Auto Australia is the Australian subsidiary of LSH Auto International one of the world's largest dealer groups for Mercedes-Benz cars. Our businesses specialise in the sale of luxury motor vehicles, vehicle servicing and repairs, parts retailing and wholesaling and collision repair.

| Reporting Entity | Trading Name | Address |
|------------------------------|-------------------------|---|
| LSH Auto (Sydney) Pty Ltd | Mercedes-Benz Sydney | 43-47 O'Riordan Street, Alexandria NSW |
| LSH Auto (Brisbane) Pty Ltd | Mercedes-Benz Brisbane | 194 Breakfast Creek Road, Brisbane QLD |
| LSH Auto (Melbourne) Pty Ltd | Mercedes-Benz Melbourne | 135 Kings Way, South Melbourne VIC |

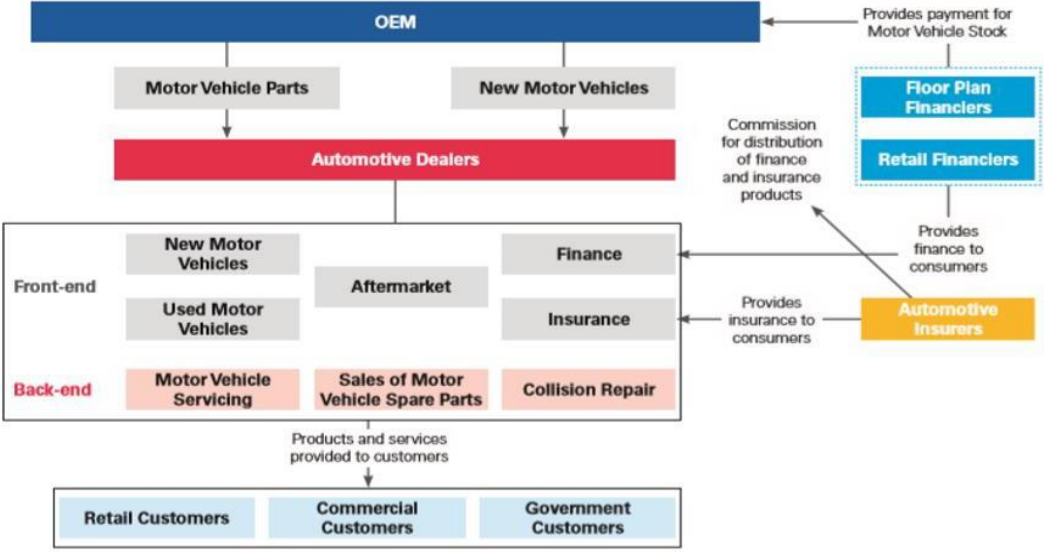
We employ approximately 500 employees and operate 11 business units across New South Wales, Queensland and Victoria. Our employees perform the following types of roles:

| | |
|--------------------------|-----------------------------|
| Executives (Head Office) | Dealer Principal |
| Department Managers | Sales Executives |
| Business Managers | Administrative Support |
| Mechanical Technicians | Parts Personnel |
| Service Advisors | Cleaners and Valet Services |

Our supply chains include the following goods and services: authorised vehicles and parts provided by Daimler AG / Mercedes-Benz, consumables such as oil, fuel, paint and lubricants, logistics and transport services, car washing and detailing services, sublet, recruitment services, marketing and printing services, cleaning, storage and waste disposal services, professional services, finance products, insurance, property rental and vehicle storage, information technology, telecommunication products and services, coffee, food and beverage, gift hampers and office supplies. With the exception of vehicles and parts, the majority of our direct suppliers are based in Australia.

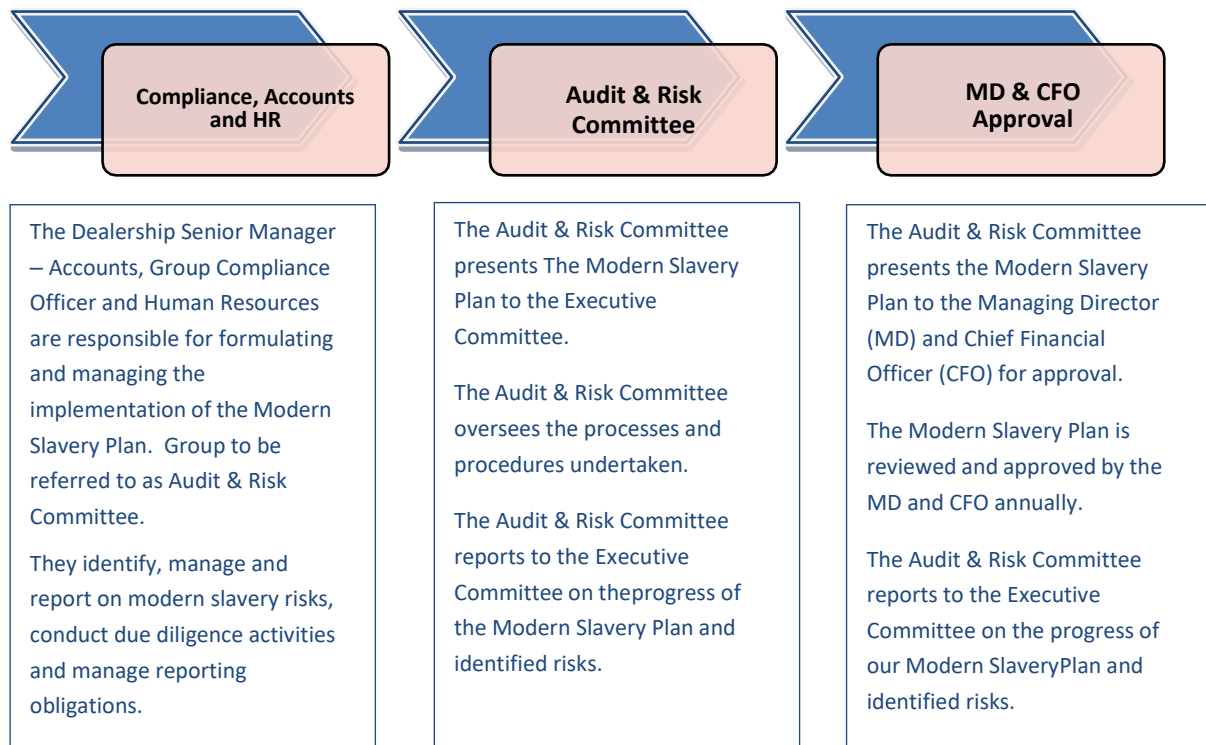


3. Overview of the Australian Automotive Dealership Industry



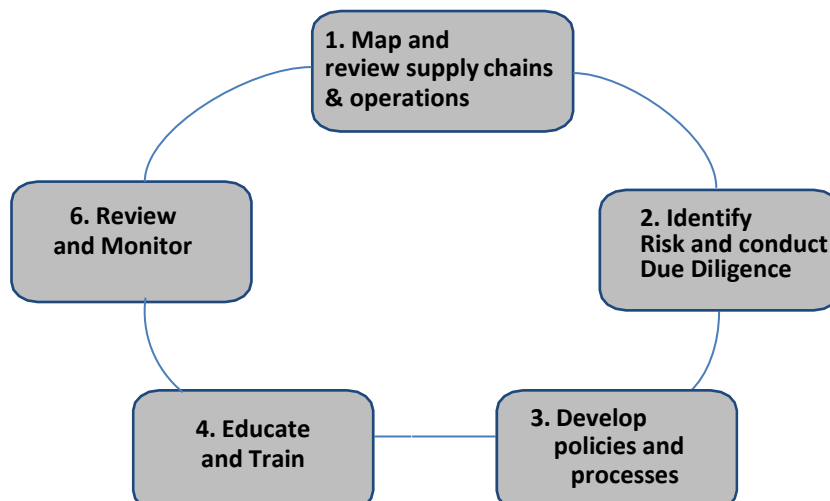
4. Approach to modern slavery and process for consultation

The creation of LSH Auto Australia’s Modern Slavery Plan, in respect of the FY21 reporting period, has been developed by the Audit & Risk Committee comprised of key stakeholders within the organisation, reporting to the Executive Committee throughout the year in relation to the Group's progress with the Modern Slavery Plan. The Managing Director and Chief Financial Officer were responsible for approving modern slavery-related policies such as the Supplier Code of Conduct and this statement.



5. FY21 Modern Slavery Plan

The key steps of our modern slavery plan are set out below.





6. Potential Risks of Modern Slavery in our Operations and Supply Chains

Based on an initial risk assessment of our industry, country of operation and the policies and procedures we have in place in respect of our workforce, we consider the risk of modern slavery in our operations to be low.

Our staff are screened prior to employment for their right to work in Australia and proof of age.

We identified that the potential for exposure to modern slavery exists in the following industries in our supply chain:

- Manufacturing
- Retail Trade (Fuel Retailing)
- Repair and Maintenance
- Outsourced services such as cleaning and detailing

Further to the above list, as with many businesses of similar sector to ours, we have inherent risks of modern slavery in the office supplies we purchase, IT hardware, telecommunications equipment, corporate merchandise, facilities management, travel and catering.

Motor vehicles form a large component of our annual procurement spend. In the automotive sector, there have been reports of labour rights abuses concerning freedom of association/union rights, living wage and forced labour (in manufacturers and their supply chains). Raw material sourcing deep in the supply chain of automotive companies has also been scrutinised.

We source our vehicles and parts only from one OEM, Daimler AG / Mercedes-Benz. We rely on the due diligence measures and governance framework implemented by this OEM to assess and address the modern slavery risks within their operations and supply chain.

7. Actions taken to assess and address modern slavery risks in our operations and supply chains

During our first reporting period, we sought to better understand the requirements of the *Modern Slavery Act 2018* (Cth) and our modern slavery impact. We focussed on planning our due diligence framework for implementation in the second reporting period.

LSH Auto Australia appointed Human Resources to be responsible for handling complaints or suspected instances of modern slavery. We recognise that there is no one size fits all approach to remediation in respect of modern slavery as each matter is unique and should be handled in a way that is proportionate to the harm and puts the victim first.

8. Assessing the effectiveness of our actions

We are committed to achieving year on year improvement in our approach to assessing and addressing modern slavery risks our operations and supply chains. We will seek to assess the effectiveness of our overall approach by tracking the progress of the following goals during the second reporting period:

- Adopt a risk-based approach to modern slavery due diligence and seek to better understand the modern slavery risks relating to our first tier suppliers.



- Develop a Supplier Code of Conduct (**Code**) and publish it online to set the minimum standards expected of our suppliers.
- Develop a Modern Slavery Questionnaire (**MSQ**) to help assess the risks or issues associated with the supplier prior to contracting with them.
- Roll out compulsory modern slavery training to raise awareness of modern slavery risks.
- Issue the Code and MSQ to our main suppliers and review the responses.
- Train our accounts team and department managers in relation to their obligations in issuing the Code and MSQ from all existing and new vendors.
- Update our Whistleblower Policy and Code of Business Conduct and Integrity to address modern slavery risks.
- Review the modern slavery statements submitted by our suppliers and prospective suppliers (where available) and take these into account when making purchasing decisions.
- Develop a remediation guideline that sets out how LSH Auto Australia Group will respond to a suspected case of modern slavery.

9. Approval

This Modern Slavery Statement was approved by the board of LSH Auto Australia and signed by the Managing Director on 5 th July 2021.

John Good
Managing Director
LSH Auto Australia