



**ESCO**  
**The Weir Group PLC**  
25 Trade Street  
Lytton QLD 4178  
[www.esco.weir](http://www.esco.weir)

# Australia Modern Slavery Statement 2021

22 June 2022

Submitted by:  
**ESCO Australia Holdings Pty Limited** (ABN 140 443 223)  
25 Trade Street  
Lytton, Queensland, 4178  
Australia





This statement is submitted by ESCO Australia Holdings Pty Limited (ABN 140 443 223) for the fiscal year ending on 31 December 2021, pursuant to the Modern Slavery Act (Cth) 2018. Incorporated and headquartered in Australia, ESCO Australia Holdings Pty Limited is a holding company comprised of nine subsidiaries and two branches in five countries with annual consolidated revenue exceeding AU\$100 million.

ESCO Australia Holdings Pty Limited is a subsidiary of The Weir Group PLC. Established in Scotland over 150 years ago, The Weir Group PLC is a global engineering business offering a wide range of solutions, primarily to the minerals and infrastructure markets.

As a subsidiary of The Weir Group PLC, ESCO Australia Holdings Pty Limited maintains a zero-tolerance approach to any form of modern slavery (namely, slavery, servitude, forced or compulsory labour, and human trafficking). The Weir Group PLC recognises that its responsibilities extend to its supply chain and is committed to maintaining a supply chain process which sets out the minimum standards it expects its suppliers to abide by in connection with how suppliers treat their workforce, legal and regulatory compliance, health and safety, business ethics, and environmental standards.

ESCO Australia Holdings Pty Limited Subsidiaries	Country of Incorporation
ESCO Group Holdings Pty Limited	Australia
ESCO Northgate Pty Limited	Australia
ESCO Dunedin Pty Limited	Australia
ESCO Dunedin Pty Limited – New Zealand Branch	New Zealand
ESCO Engineering Kingaroy Pty Ltd	Australia
ESCO Engineering Pty Ltd	Australia
ESCO Engineering Pty Ltd -ROHQ Philippines Branch	Philippines
ESCO Indonesia Investco No 1 Pty Ltd	Australia
ESCO Indonesia Investco No 2 Pty Ltd	Australia
PT ESCO Mining Products	Indonesia
ESCO Japan Inc.	Japan
Motion Metrics Australia Pty. Ltd	Australia

The policies, processes, and expectations described in this joint statement refer to The Weir Group PLC's global policy framework, which has been designed to ensure a unified approach to managing modern slavery risks across The Weir Group PLC's global operations and supply chain. The specific processes and commitments refer to the ESCO Australia Holdings Pty Limited and its subsidiaries.

## Operations

The Weir Group PLC aims to be a partner of choice to its customers with a worldwide network of over 200 manufacturing facilities and service centres. The Weir Group PLC has a presence in over 50 countries, with over 11,400 people around the world working in two divisions, Minerals and ESCO.

ESCO Australia Holdings Pty Limited's products and technology are used in mining and infrastructure markets in Australia and throughout the Asia Pacific. It produces highly engineered ground engaging tools and provides aftermarket support for mining and infrastructure.



## Supply Chain

ESCO Australia Holdings Pty Limited sources raw materials, components, and services from several countries, including countries and industries where the risk of modern slavery may exist. ESCO Australia Holdings Pty Limited's thousands of suppliers play a critical role in the business, therefore the relationships with them are based on achieving the best performance, product delivery times, service, and total cost in an ethical and sustainable manner.

The supply chain includes, among others, the following goods and services:

- Raw materials
- Electricity
- Fabrication and machining services
- Freight and logistics
- Components
- Corporate services
- Consultancy services
- Temporary labour

## The Weir Group PLC's Global Framework to Combat Modern Slavery

The Weir Group remains firmly committed to ensuring that there is no form of slavery, servitude, forced or compulsory labour, or human trafficking in our operations. This commitment is reflected in the Weir [Code of Conduct](#) and [Human Rights Policy](#), both of which are shared and made available publicly on The Weir Group's website. The Weir Group shares this commitment with its suppliers and business partners, and it is committed to not doing business with suppliers and business partners that are not working to comparable generally accepted human rights standards. The Weir Group's expectations of suppliers are set out in its [Supply Chain Policy](#) which is publicly available on its website.

The prevention, detection and reporting of human rights violations in any part of the business or supply chain is the responsibility of all those working for Weir, and The Weir Group expects its people to maintain the utmost standards in conformity with these principles. The Global Head of Compliance and a dedicated compliance team oversee seven core compliance areas, including The Weir Group's commitment to preventing modern slavery. The Weir Group Compliance team works closely Weir's Supply Chain team, Sustainability team, and Human Resources to uphold that commitment.

### Code of Conduct

The Weir Code of Conduct declares The Weir Group's zero-tolerance approach that it will not do business with companies, organisations, or individuals that are not working to comparable generally accepted human rights standards. The Code of Conduct further lists the following prohibitions:

- Prohibition against child labour, modern slavery or servitude, and forced labour;
- Prohibition against unreasonable excessive working hours;
- Prohibition against working with companies that do not respect human rights principles; and
- Prohibition against trying to persuade Weir employees to accept working terms or conditions inconsistent with the principles of The Weir Group's Human Rights Policy.

### Human Rights Policy

The Weir Group's Human Rights Policy communicates to its customers, suppliers, investors, employees, and the communities in which The Weir Group operates the ethical and social values it respects and its commitment to uphold human rights. The Human Rights Policy is informed by UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights including the Universal Declaration of Human Rights, and the International Labour Organization's 1998



**Declaration on Fundamental Principles and Rights at Work.** The policy states that the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude is strictly prohibited within The Weir Group's operations as well as the operations of its contractors, suppliers, and business partners. The policy further expresses The Weir Group's expectations that its suppliers will aim to prevent and detect human rights violations and report any violations that occur to us.

During the 2021 reporting period, The Weir Group's compliance team drafted an updated Human Rights Policy which was approved by the Weir Group's Board of Directors in late 2021. Importantly, the updated Human Rights Policy now serves as a centralized policy statement that delineates the core actions The Weir Group and its subsidiaries will take to address human rights risks. These actions include the following.

- undertaking periodic risk assessments in relation to potential human rights impacts in The Weir Group's operations and supply chain;
- incorporating, in a risk-based manner, human rights due diligence and considerations into relevant business processes, such as vendor qualification processes and vendor performance reviews and audits;
- including human rights related requirements in contractual arrangements with suppliers, as appropriate and applying a risk-based framework;
- investigating any human rights-related allegations raised, and taking appropriate remedial action for any such allegations that are substantiated;
- ensuring employees are aware of the Human Rights Policy through periodic communications and training, as appropriate;
- communicating the commitment to human rights by publishing the Human Rights Policy on the company website; and
- monitoring company performance against the commitments in the Human Rights Policy, taking action as appropriate based on such monitoring, and continuing to review and update the Human Rights Policy as appropriate.

In 2022, The Weir Group compliance team will spearhead implementing these commitments at ESCO Australia Holdings Pty Limited to the extent they are not already in place. One such commitment is a global human rights risk assessment that The Weir Group compliance team kicked off in January 2022. The human rights risk assessment is being performed in consultation with an external consultant and covers both The Weir Group's global operations and global supply chain. Employees from around the globe in multiple functional areas will participate in and contribute to the assessment.

### **Supply Chain Policy**

The Weir Group PLC's Supply Chain Policy sets out its expectations that its suppliers will provide it with goods and services whilst not exposing its employees, the suppliers' employees, or suppliers' local environment to unacceptable risks. The policy requires the following from all suppliers, as a minimum standard:

- No forced, bonded or involuntary prison labour will be used;
- No children are to be employed, consistent with the UN Convention on the Rights of the Child;
- No forms of modern slavery, servitude, forced nor compulsory labour, nor human trafficking are to be employed; and Supplier's employees be paid wages for standard working hours that meet or exceed national minimum requirements.

## **Risks of Modern Slavery Practices in Our Operations and Supply Chain**

### **Our Workforce**

Weir believe its operations have a lower risk for modern slavery because it has direct control over its operations. As a subsidiary of The Weir Group, ESCO Australia Holdings Pty Limited aims to maintain a safe and collegial working environment in which human rights are upheld and employees can thrive. All employees must receive Weir Code of Conduct training on Weir's core values upon hire and on an annual basis. ESCO Australia Holdings Pty Limited holds its employees accountable if they fail to embrace these values or treat one another with respect: any employee who is found to have violated company policy is subject to disciplinary action.



To identify any issues that may arise, employees can raise their concerns through three primary mechanisms. First, The Weir Group's "speak up" culture encourages employees to feel empowered to notify management, including the CEO and human resources of their concerns. Second, employees can report issues confidentially through the Weir Ethics Hotline. This hotline is also available to any suppliers with which we work. Third, an annual employee engagement survey conducted by a third party provides another opportunity for employees to indicate concerns with their working environment anonymously.

The 2022 global human rights risk assessment includes assessing risks in The Weir Group's workforce. The previous 2016 risk assessment did not include modern slavery risks associated with operations, and thus, the inclusion of The Weir Group's operations in the 2022 assessment will enable The Weir Group, as well as ESCO Australia Holdings Pty Limited, to identify and assess nature and extent of the risks specific to their workforce. The risk assessment will also consider the effectiveness of existing operations-related and human resources-related policies and processes and then provide recommended actions for mitigating any risk or addressing issues.

Country of operation	Number of employees
Australia	61
Philippines	107
New Zealand	1
Indonesia	13

### Our Suppliers

ESCO Australia Holdings Pty Limited believes that its supply chain is its primary risk for modern slavery, as there is less control over and visibility into supply chain activities in comparison to Weir's operations.

ESCO Australia Holdings Pty Limited currently understands their supply chain risk based on a 2016 human rights risk assessment which identified and quantified risk using the Global Slavery Index and The Weir Group's global spend. The 2022 risk assessment is an in-depth exercise that considers additional factors in identifying and assessing risks and analysing suppliers (including the impact of COVID pandemic) within The Weir Group's interconnected global supply chain. After assessing the risks, the compliance team plan to take a critical lens to The Weir Group's global policy framework and divisional supply chain policies and processes with the goal of not only mitigating the identified risks but also assessing the effectiveness of the existing anti-modern slavery compliance program. The compliance team will work closely with ESCO Australia Holdings Pty Limited employees on mitigating their specific risks and implementing new or updated policies and processes.

In the Modern Slavery Statement covering the 2020 reporting period, ESCO Australia Holdings Pty Limited announced its intention to perform this risk assessment in 2021. However, due to the continued ongoing impact of the COVID pandemic and other logistical factors, ESCO Australia Holdings Pty Limited was not able to perform the risk assessment in 2021.

### Supplier Due Diligence & Management Process

The following represent the core processes for supplier selection and onboarding at ESCO Australia Holdings Pty Limited. In the 2021 reporting period, the ESCO Division supply chain leadership decided to acquire a third-party software, in collaboration with The Weir Group's Minerals division, that would facilitate screening, onboarding, and managing prospective suppliers for the division, including for ESCO Australia Holdings Pty Limited. The software will include industry-standard human rights-focused and sustainability-focused questions during the screening process and provide additional resources for conducting human rights diligence on prospective suppliers. The software is expected to be rolled out in 2023.



### **Screening Prospective Suppliers**

The supplier selection process includes inquiries about prospective Tier 1 suppliers' policies and processes designed to ensure compliance in the areas of business ethics and practices, human rights and social responsibilities, health, and safety. The procurement team rates these prospective suppliers on various criteria, including whether they have policies on human rights, modern slavery, child labour, or indentured servitude.

Any red flags that are raised during the screening must be reviewed in consultation with business leadership and the Weir legal team. As stated, ESCO Australia Holdings Pty Limited will not procure goods or services from a supplier that is known to engage in modern slavery practices.

### **Onboarding of Suppliers**

After selection, tier 1 suppliers receive a copy of The Weir Group's values and commitment towards upholding human rights and the requirement for its suppliers to do the same. All Tier 1 suppliers, are required to sign a declaration stating that they are aware of the Weir Group's expectations concerning modern slavery practices (as described in The Weir Group's UK Modern Slavery Statement) and the Weir Code of Conduct.

### **Management of Suppliers**

ESCO Australia Holdings Pty Limited's relationships with its suppliers are further governed by standard terms and conditions which legally bind suppliers to following the principles of the Weir Code of Conduct as well as complying with all relevant laws.

After appointment, The Weir Group monitors suppliers' performance based on delivery, cost, and quality. Site visits enable Weir employees to identify possible signs of non-compliance. Depending on a supplier's criticality and geographic location, sourcing personnel formally may audit suppliers for their compliance with our labour expectations during routine audits.

If any individual, supplier, non-governmental organisation or any other organisation has evidence of modern slavery in Weir's operations, The Weir Group encourages them to contact the Weir Ethics Hotline. Reports will be investigated and appropriate action will be taken. For any supplier that is found to be noncompliant with our policies, we will terminate our relationship unless conditions are immediately improved and compliance is restored. Our supply chain monitoring activities do not extend to sub-suppliers. We rely on suppliers to monitor sub-suppliers for compliance with The Weir Group's policies.

### **Effectiveness of Our Actions in 2021**

The Weir Group monitors the effectiveness of its policies and procedures and compliance thereof through the Weir Ethics Hotline and periodic internal audits. In 2021, no modern slavery issues relating to its supply chain were reported into the Weir Ethics Hotline, and no incidence of modern slavery was identified through internal audits.

### **Consultation**

This statement was prepared and approved after consultation with the board of directors of ESCO Australia Holdings Pty Limited, the senior leadership for the operating entities of ESCO Australia Holdings Pty Limited, the supply chain leadership of ESCO Australia Holdings Pty Limited, human resources for ESCO Australia Holdings Pty Limited, and the ESCO Division director of global sourcing. Consultation included meetings and email correspondence.





## Approval

This statement was reviewed and approved by the board of directors of ESCO Australia Holdings Pty Limited on 22 June, 2022.

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*Melissa Davison*  
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Melissa Davison

Director of ESCO Australia Holdings Pty Limited

