

**WesTrac**  
Annual Slavery Statement FY21





### Modern Slavery Statement

WesTrac opposes all forms of modern slavery and is committed to operating its business lawfully, ethically and in respect of human rights. The actions undertaken during FY21 underpin WesTrac's commitment to uphold its values and ethics, take responsibility for its behaviours, and act on its commitments to provide a value chain that is free from all forms of modern slavery.

### Reporting Entity

This Annual Slavery Statement has been prepared for **WesTrac Pty Ltd, ACN 009 342 572**, located at 128-136 Great Eastern Highway, South Guildford, WA, 6055 (**WesTrac**), and its wholly owned subsidiaries (together, **WesTrac Group**).

### Reporting Entity Structure, Operations and Supply Chain Structure

WesTrac is a wholly owned subsidiary of **Seven Group Holdings Limited (SGH), ABN 46 142 003 469**, located on Level 30, 175 Liverpool Street, Sydney, NSW, 2000. WesTrac wholly owns three subsidiaries incorporated within Australia, and partially owns a further three subsidiaries including Sitech (WA) Pty Ltd, Sitech Solutions Pty Ltd, and Energy Power Systems Australia Pty Ltd.

### Operations

WesTrac is the sole dealer of Caterpillar equipment in WA, NSW and the ACT operating from 28 branches within these locations. As of 30 June 2021, WesTrac employed 4,447 personnel nationally, of which:

- 3,740 were employed directly by WesTrac: 2,162 under an enterprise bargaining agreement and 1,578 under a common law contract in accordance with an applicable modern award (if any) and relevant Australian laws including the Fair Work Act; and
- 707 were employed indirectly by WesTrac through labour hire providers.

With a large geographical footprint and a diverse clientele base, WesTrac provides customers with a wide range of Caterpillar earth moving machinery and

construction equipment, including responsible finance options and comprehensive whole-of-life management solutions.

### Supply Chain

The majority of goods procured by WesTrac are sourced from Caterpillar for resale and include heavy machinery and components for construction and mining applications. Caterpillar is a global group headquartered in the USA with manufacturing operations in multiple countries. Caterpillar has undergone its own due diligence to investigate modern slavery risks in its supply chain and has published its own [Human Rights Policy](#) and [Modern Slavery Statement](#).

Goods sourced from non-Caterpillar suppliers include items used to modify, service, or maintain Caterpillar equipment such as fire suppression systems, lubrication systems, lighting solutions, communication equipment, technological solutions, hardware, and operational consumables. Goods are also procured to support business operations including tooling, stationary, clothing, merchandise, IT and communication hardware.

WesTrac also procures numerous services from external providers. These service providers manage and support WesTrac's operations by providing facility property management services, IT support, and corporate services. Suppliers are also engaged to complete installations and modifications to Caterpillar equipment at WesTrac's branches as required.

95% of purchases with non-Caterpillar suppliers during FY21 were sourced directly from Australian based businesses. Although these businesses are monitored for modern slavery risk, the majority of these suppliers are distributors of products manufactured by other businesses with often complex supply chains.

Procurement within WesTrac subsidiaries is overseen by WesTrac and forms part of the assessment undertaken for the purposes of this Modern Slavery Statement.

## Modern Slavery Risk in Operations and Supply Chain Operations Risk

WesTrac has assessed the risk of modern slavery in its operations as negligible. 84% of WesTrac's workforce is employed directly by WesTrac in accordance with Australian laws, applicable modern awards and enterprise agreements.

16% of WesTrac's workforce is engaged indirectly through labour hire providers. WesTrac requires that labour hire providers compensate personnel in accordance with applicable modern awards and enterprise agreements.

## Supply Chain Risk

The modern slavery risk associated with goods sourced from Caterpillar is assessed as being low due to the stringent controls that Caterpillar has in place and its global reach.

During FY21, WesTrac mapped the first level of its multi-tier non-Caterpillar supply chain to identify products and sourcing locations identified as being "high risk" with reference to the [Walk Free Foundation's Global Slavery Index](#) and information available through the [Australian Strategic Policy Institute's](#) 2021 report.

Following the review, 122 suppliers providing products identified as being in higher risk categories were identified. The following product categories were also identified as being high risk:

- Electronics from China & Malaysia, specifically laptops, computers & mobile phones; and
- Garments from Argentina, Brazil, China, India, Malaysia, Thailand, Vietnam.

Whilst all mentioned goods were purchased from low risk, first tier, domestic based suppliers, various items are manufactured offshore by international corporations with unknown supply chains. Consequently, many components used in the manufacture of purchased goods are procured from unknown sources. The mapping exercise revealed that WesTrac does not have

visibility into all supply chains or componentry used to manufacture goods purchased by WesTrac.

## Actions Taken by WesTrac to Assess and Address Modern Slavery Risks

WesTrac has taken a number of actions to control the risk of modern slavery within its operations and supply chain.

## Governance

WesTrac has enacted appropriate policies to ensure behaviours and values support the absence of modern slavery in WesTrac's operations and supply chains. A Modern Day Slavery Policy is in place to outline WesTrac's obligations and remediation process should an occurrence of modern slavery be suspected in its supply chain. WesTrac's Code of Conduct also requires employees to behave in a manner which ensures the absence of modern slavery.

## Supplier Covenants

WesTrac's standard terms and conditions for the purchase of goods and services include various covenants and warranties regarding modern slavery risk. Suppliers are required to warrant that they have thoroughly investigated their labour practices, and those of their direct suppliers, to ensure there is no modern slavery within their supply chains. WesTrac is able to ensure compliance by having the right to audit suppliers.

## Supplier Checks and Monitoring

Due-diligence checks are undertaken on all new suppliers to ensure that those suppliers share WesTrac's ethics and values and have appropriate processes and controls in place to control modern slavery risk. Checks are dependent on the nature of the supplier, location of the supplier, and services provided in accordance with an established process.

Additional checks were also completed on the 122 existing WesTrac suppliers identified as being high risk in FY21. These suppliers were sent a modern slavery questionnaire to better understand these supplier's supply chains and evaluate their processes and controls to mitigate modern slavery risk.

Additional information was also used including the supplier's own modern slavery statement. WesTrac is intending to investigate substitute suppliers or products where the modern slavery risk presented by the supplier is assessed as being higher or where the supplier is unresponsive to WesTrac's enquiries.

### **Employee Education**

Education sessions have been held to inform employees on the warning signs of modern slavery and how it relates to employee position in the value chain, and WesTrac's actions and commitments to eradicate it from its supply chain.

### **Community Engagement**

As several of the higher risk suppliers are large multi-national companies, (of which WesTrac's business constitutes a negligible portion of the supplier's business) WesTrac is seeking local modern slavery interest groups to increase knowledge transfer and leverage in influencing the practices of larger suppliers.

### **Reporting and Remediation**

WesTrac has a clear process relating to the reporting and remediation of modern slavery within its supply chain. This process is supported by WesTrac's Modern Day Slavery Policy.

Any person who suspects any form of or involvement in modern slavery is to report the incident to WesTrac's National Procurement Manager. Any suspected occurrence of modern slavery will be investigated by a third party due diligence team to ensure impartiality into the investigation and remove any actual or perceived conflict of interest.

Anonymous and external reporting is available should the reporting party desire anonymity through RightCall which is WesTrac's external whistle-blower reporting hotline. Any submission received by RightCall is investigated independent of WesTrac and SGH.

Dependant on the situation, if an occurrence of modern slavery is discovered WesTrac will follow best practice guidance set out by the [Walk Free Foundation](#) and [UN Guiding Principles](#) and look to educate and support the supplier to remove modern slavery from its operations. This will include working with third party experts to create corrective action plans and remove any non-conformance in preference to implementing punitive measures.

### **Assessing Effectiveness of WesTrac Actions**

WesTrac's actions and effectiveness for FY21 have been continuously monitored and reviewed by modern slavery steering committee members. Deficiencies or improvements are addressed as they arise and opportunities for continuous improvement are identified.

### **Consultation**

WesTrac Group company representatives were consulted in the development of this statement to ascertain the modern slavery risk in the supply chain, and to ensure that information provided is true and correct.

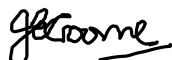
### **Further Information**

During FY21, WesTrac did not manage to significantly develop its relationship with other businesses or engage with the community interest groups to the level desired. However, WesTrac delivered on its commitment to implement a data analytic modern slavery evaluation system and utilised the results as the basis for this statement.

WesTrac also delivered on its commitment to inform employees on the warning signs of modern slavery, how it relates to employee position in the value chain, and WesTrac's actions and commitments to eradicate it from its supply chain. As our knowledge and understanding of modern slavery in our supply chain grows, informing our employees will evolve into training our staff based on position and responsibility in the organisation.

**Board Approval**

This statement was approved by the board of WesTrac Pty Ltd on 01 November 2021.



**Jarvas Croome**

Director and Chief Executive Officer

Date 01 November 2021