

FY22 Modern Slavery Statement



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Corporate Directory

Head Office and Registered Office
Seven Group Holdings Limited
ABN: 46 142 003 469
Level 30, 175 Liverpool Street
Sydney NSW 2000
02 8777 7574

Key Operating Businesses
WesTrac WA
128–136 Great Eastern Highway
South Guildford WA 6055
08 9377 9444

WesTrac NSW
1 WesTrac Drive
Tomago NSW 2322
02 4964 5000

WesTrac ACT
78 Sheppard Street
Hume ACT 2620
02 6290 4500

Allight
12 Hoskins Road
Landsdale WA 6065
08 9302 7000

Sykes Group
42 Munibung Road
Cardiff NSW 2285
02 4954 1400

Coates – East Business Unit
6 Greenhills Avenue
Moorebank NSW 2170
13 15 52

SGH Energy
Level 4, 160 Harbour Esplanade
Docklands VIC 3008
03 8628 7277

Boral
Level 3, Trinita 2
39 Delhi Road
North Ryde NSW 2113
02 9220 6300

Coates – Head Office
Level 6, 241 O’Riordan Street
Mascot NSW 2020
13 15 52

Coates – East Business Unit
6 Greenhills Avenue
Moorebank NSW 2170
13 15 52

Coates – South Business Unit
120 South Gippsland Highway
Dandenong VIC 3175
13 15 52

Coates – North Business Unit
56–61 Meakin Road
Meadowbrook QLD 4131
13 15 52

Coates – West Business Unit
18 Wheeler Street
Belmont WA 6104
13 15 52

Introduction






Seven Group Holdings Limited (SGH) is an Australian diversified operating Group, with leading positions across industrial services, construction materials, energy, and media. SGH is committed to its role in combatting Modern Slavery, and works collaboratively with employees, suppliers and other stakeholders to ensure lawful and ethical practices are maintained throughout its supply chains and operations.

This Joint Modern Slavery Statement is made on behalf of SGH and its majority owned subsidiaries, in accordance with the Australian Commonwealth Modern Slavery Act 2018, for the financial year ended 30 June 2022.

The Statement sets out the steps taken to review and prevent Modern Slavery in the Group's businesses and supply chains over the reporting period.

Reporting Entity

The reporting entity is Seven Group Holdings Limited (ABN 46 142 003 469) whose registered office is Level 30, 175 Liverpool Street, Sydney NSW 2000. SGH employs over 10,000 people at its majority owned businesses, and is listed on the Australian Securities Exchange (ASX:SVW). The table below provides an overview of the Group structure:

Industrials	Industrials	Industrials	Energy	Media
				
100%	100%	73%	Beach 30% SGHE 100%	39%
WesTrac is one of the largest CAT® dealers globally (by sales) operating the WA and NSW/ACT territories	Coates is Australia's largest industrial and general equipment hire company providing end-to-end solutions	Boral is Australia's largest construction materials and building products supplier with operations in all states & territories	Beach Energy is a leading mid-cap E&P business and a key supplier to a growing East Coast gas market	Seven West Media is a leading diversified media company in Australia
28 sites	150 sites	356 sites	Onshore and offshore assets in multiple basins	Market leading in TV, publishing and digital
Focus on customers in direct mining, mining contractors, construction and infrastructure	Focus on large tier-one customers, mid-tier and trade, engineering and industrial solutions	Focus on infrastructure, non-residential and residential construction	Operated and non-operated interests including Crux LNG Project (15.5%)	Australia's #1 TV network and #1 BVOD service in 2021
~3,950 Employees	~2,050 Employees	~4,800 Employees	~750 (Beach) Employees	~2,300 Employees
Installed base delivering annuity income linked to production not commodity price with lowest quartile C1 costs customers	Largest fleet and network servicing asset light contractor's delivering infrastructure and construction pipeline	Privileged aggregate and cement delivers integrated position to support growth in construction and infrastructure	Reserves and midstream infrastructure servicing market imbalance in key gas markets supporting the energy transition	Ratings leadership with superior content and growing digital offering supports a re-rate as a value opportunity

The Statement focuses on the following entities:

- WesTrac Pty Limited (wholly owned) – ABN 63 009 342 572
- Coates Group Holdings Pty Limited (wholly owned) – ABN 85 126 069 341; and
- Boral Limited (72.6 per cent owned) – ABN 13 008 422 761

This is the first year Boral has been incorporated into the Group's Statement as a material entity, as SGH's ownership in the business has passed the majority threshold. In line with best practice, these businesses have also prepared individual Modern Slavery Statements, which can be found on their respective websites.

The Group also holds significant equity accounted investments in Beach Energy Limited (30.0 per cent ownership) and Seven West Media Limited (39.3 per cent ownership). As these are non-controlled entities, they fall outside the scope of this Statement. However, a high-level overview of their FY22 actions has been included in the equity accounted investments section of this statement. These businesses also prepare individual statements, which are available on their respective websites.

Governing Framework

The Audit & Risk Committee has responsibility for overseeing the Group's response to Modern Slavery risks. In FY22, the Group published its first [Modern Slavery policy](#), formalizing the below framework to address Modern Slavery risk.

- **Governance** – review of risk management framework and key policies. Questions on Modern Slavery are incorporated into a bi-annual questionnaire circulated to senior management across the Group to identify any areas of concern.
- **Risk assessment** – consideration of key risk areas and classification to allow higher risk areas to be targeted and mitigated.
- **Process** – embedding Modern Slavery considerations into supplier negotiations and agreements when procuring goods and services and stakeholder engagement. Training – education and training of employees to raise awareness on Modern Slavery and mechanisms for reporting or escalating any grievances (eg whistleblower options).
- **Monitoring, reporting and continuous improvement** – escalation of any areas of concern through to Group Executives and/or the Board as required. Assessing the effectiveness of processes to identify and minimise the risk of Modern Slavery. Improving on current practices and sharing of best-practice ideas across the Group.

The Group's Modern Slavery Policy is supported by a robust governing framework, outlined in the [2022 Corporate Governance Statement](#).

Operations

The Group primarily operates within Australia, with smaller operations in Indonesia, the US, the UAE, South Africa and New Zealand. Details on each business can be found on the Group's website www.sevengroup.com.au, and in the latest (FY22) [Annual Report](#). A high-level summary of the majority owned businesses relevant to this disclosure is outlined below.

WesTrac

WesTrac is the sole dealer of Caterpillar equipment in WA, NSW and the ACT, and operates from 29 branches. As of 30 June 2022, WesTrac employed approximately ~4,500 people, including team members on common law contracts, enterprise bargaining agreements, and through labour hire.

With a large geographical footprint and a diverse client 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.

Coates

Coates Group has two companies that provide equipment hire solutions - Coates and PT Coates Hire Indonesia ("PT Coates") – that operate throughout Australia and Indonesia, respectively. Coates is Australia's leading equipment hire and solutions provider, operating across a range of markets including engineering, mining and resources, infrastructure, manufacturing, construction, agriculture, and major events. Coates has ~2,050 employees, with branches in over 150 metropolitan, regional and remote locations across Australia, and five branches operating in Indonesia.

Boral

Boral is the largest integrated construction materials company in Australia, producing and selling a broad range of products. The business's core operations comprise: Quarries, Cement, Asphalt, Concrete and Placing, and Recycling (Circular Materials Management), with a strategically positioned network of 356 operating sites. As at 30 June 2022, Boral had ~4,750 full-time equivalent employees.

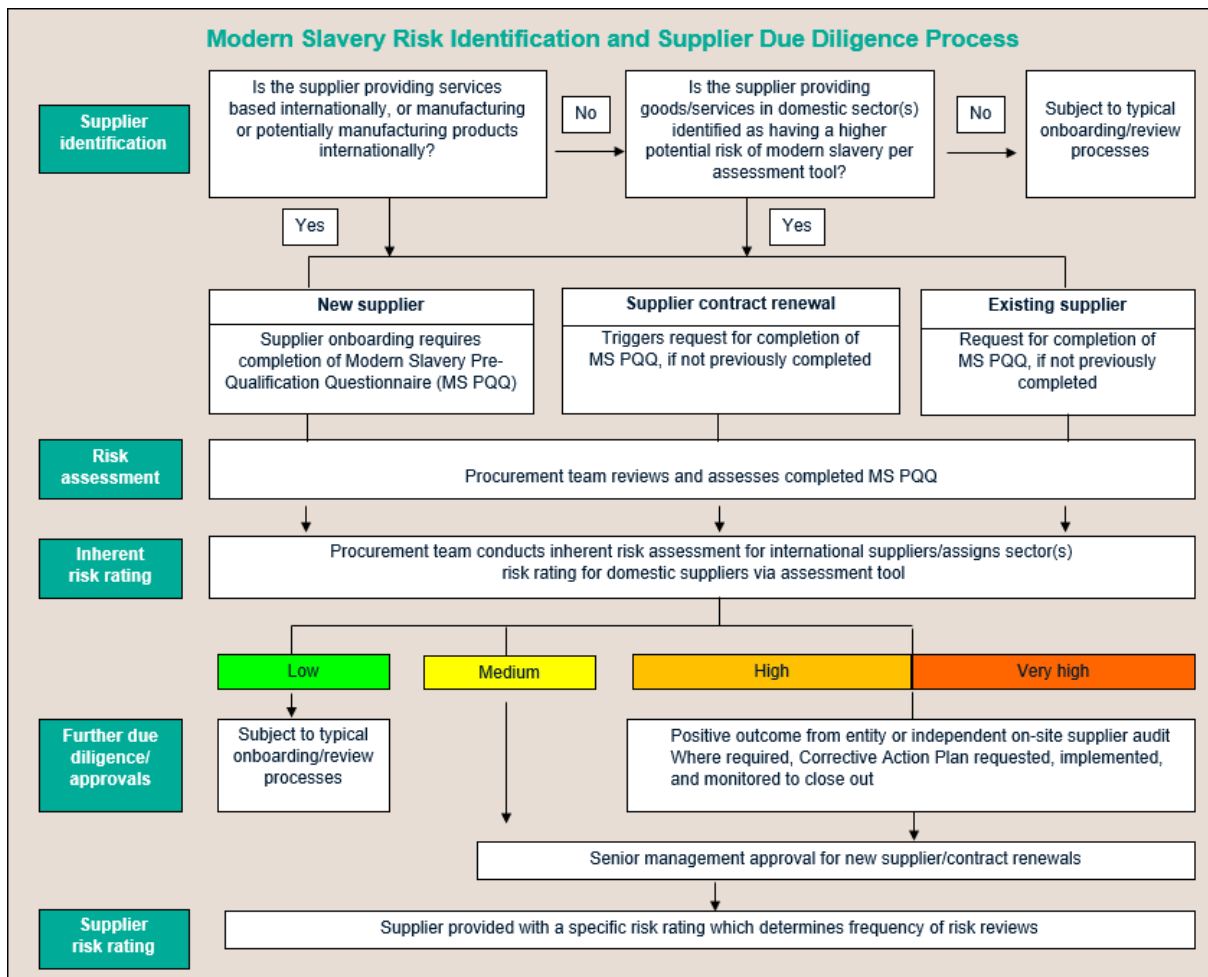
Modern Slavery Risks in Supply Chains and Operations

SGH’s operations span a diverse range of sectors, and the Group recognises the risk of Modern Slavery in its supply chains, and to a lesser extent, operations. Each business unit reports periodically on their key risks to the Audit & Risk Committee, which includes a bi-annual questionnaire on Modern Slavery risks.

In FY22, SGH entities (WesTrac, Coates, Boral, SGH, Beach Energy, Seven West Media, AllightSykes, and Energy Power Systems Australia) founded a working group against Modern Slavery. The group conducts quarterly meetings to share learnings, allow knowledge transfer, and increase leverage on non-conforming suppliers.

Supplier Modern Slavery Due Diligence

The majority of the Group’s procurement in FY22 was sourced from Caterpillar, domestic Australian suppliers, and domestic labour governed by Australian employment law. Despite these relatively low-risk sources, the Group continues to roll out its Modern Slavery risk identification and supplier due diligence approach across new and existing suppliers, as outlined below.



Awareness and Training

Comprehensive Modern Slavery training was administered to the Group’s relevant Procurement teams in FY22, focused on Modern Slavery supplier risk identification, due diligence processes, and incident reporting and investigation.

WesTrac Risks

WesTrac sources the majority of its goods from Caterpillar, where the Modern Slavery risk is assessed as low, due to the stringent controls they have in place. Caterpillar has undergone its own due diligence to investigate Modern Slavery risks in its supply chains, and has published its own [Australian Modern Slavery Statement](#).

The majority of non-Caterpillar sourcing in FY22 was from Australian based businesses. WesTrac has mapped the first level of its multi-tier non-Caterpillar supply chain to identify high-risk products and sourcing locations, with reference to the Walk Free Foundation's Global Slavery Index. The following product categories were identified as high risk:

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

Whilst all these goods are purchased from low risk, first tier, domestic-based suppliers, various items are manufactured offshore, increasing their inherent Modern Slavery risk.

WesTrac also procures services from external providers, such as property management services and IT support. WesTrac acknowledges the higher Modern Slavery risk associated with these external service providers.

WesTrac has assessed the risk of Modern Slavery in its operations as minor. Most of its workforce is employed directly by WesTrac, in accordance with Australian laws, applicable modern awards, and enterprise agreements. Where contractor labour is utilised, WesTrac requires its third-party providers to compensate personnel in accordance with applicable modern awards and enterprise agreements.

Coates Risks

Coates procures products and services from a supplier base of ~4,000 vendors. Of these, ~92% of the products and equipment come from Australia, China, Germany, India, France and Canada. The majority of the services procured internationally relate to IT and Professional Advisory industries, which have an inherently low Modern Slavery risk.

Coates administers annual surveys to maintain a current assessment of Modern Slavery risk at its suppliers. It also requires all suppliers to adhere to Australian legislation, regardless of where they are based. In FY22, a Supplier Code of Conduct was published and distributed to suppliers of PT Coates (Indonesia), setting out the requirements to comply with global human rights standards, local laws and regulations with respect to human rights and Modern Slavery.

Boral Risks

Boral has updated and refined its Modern Slavery Supplier Risk Profile Assessment (MSSRPA) tool, which was used to perform risk assessments on suppliers in FY22. The tool attributes an initial inherent risk rating to suppliers – from low to very high – based on the risk of Modern Slavery practices in the jurisdictions and industry sectors in which they operate.

Boral considers country of origin to be the key determinant of Modern Slavery risk. In FY22, Boral sourced from 66 international suppliers located across 21 countries, including 10 suppliers that are in countries assessed as high risk based on the MSSRPA tool. There were no suppliers located in countries with a very high-risk rating.

Boral also acknowledges the increased risk of Modern Slavery practices in its cleaning and security services, as these sectors employ a high percentage of migrant workers, often on short-term visa arrangements, who are more vulnerable to cases of forced labour exploitation.

WesTrac Actions Taken

WesTrac undertook a number of actions in FY22 to control the risk of Modern Slavery within its operations and supply chains, including:

- Due-diligence checks on all new suppliers to ensure they had appropriate processes and controls in place to combat Modern Slavery risks.
- Audits of 33 cleaning and security service providers, including the distribution of a Modern Slavery questionnaire to evaluate supply chains and processes in place to mitigate Modern Slavery risk. The audits did not reveal any evidence or indication of non-compliance with relevant labour laws.
- Education sessions were held to inform employees of the warning signs of Modern Slavery and how it relates to employee positions in the value chain, and WesTrac's actions and commitments to eradicate it from its supply chains.

Coates Actions Taken

Coates distributed an updated Modern Slavery questionnaire to its suppliers in Australia and Indonesia in FY22, aimed at the identification and assessment of risks by geographic context and industry/sector. Of the 1,433 supplier surveys received, no suppliers declared any issues relating to Modern Slavery, or any engagement with suppliers in countries named on the Australian Department of Foreign Affairs and Trade Consolidated Sanctions list.

Future work will focus on individual interviews with suppliers operating in China, India and Bangladesh, to better understand specific internal policies and procedures they may employ to ensure human rights, relevant labour laws and Australian Modern Slavery legislation is upheld.

Upon completion of the assessment process, if a supplier that is classified as 'high risk' fails to implement processes to mitigate the risk of Modern Slavery practices, Coates may cease dealings with the supplier until such time as remedial actions, such as implementing appropriate policies and procedures, are undertaken.

Boral Actions Taken

In FY22, Boral conducted a Modern Slavery Risk Review, which included:

- Reviewing and updating the MSSRPA tool
- Reassessing Modern Slavery risk within operations and supply chains, including areas considered to be at highest risk
- Evaluating procedures, processes, controls and reporting in relation to the Modern Slavery Act
- Assessing Modern Slavery risk exposures

Boral also implemented a new Modern Slavery Management Standard Operating Procedure (MSM SOP), formalising the processes and procedures to identify, assess and manage Modern Slavery risks. The MSM SOP is being progressively rolled out to new and existing suppliers.

All new cleaning and security services were required to complete a Modern Slavery Pre-Qualification Questionnaire, and existing domestic suppliers in these sectors will be systematically phased into due diligence processes from FY23.

Boral also completed detailed assessments of the ten international suppliers that were rated as high or very high inherent risk, in line with its supplier due diligence processes.

Assessing Effectiveness

Effectiveness of Modern Slavery processes at each of the Group's majority owned businesses are continuously monitored and reviewed by their respective Modern Slavery steering and risk committees. Deficiencies or improvements are addressed as they arise, and opportunities for continuous improvement are identified and executed.

Equity Accounted Investments

The Modern Slavery Statements of SGH's material equity accounted investments, Beach Energy Limited and Seven West Media, can be found on their respective websites. A brief summary of their FY22 actions in this context is outlined below.

Beach Energy Limited

Beach Energy is committed to playing its role in addressing Modern Slavery. In FY22, Beach continued to strengthen its processes, practices and policies related to Modern Slavery risk management. It addressed all actions outlined in its three-year action roadmap defined in its FY20 statement.

Beach's FY22 actions included:

- Updated Beach governance documents to ensure that the requirements of the Modern Slavery Act 2018 (Cth) are considered in decision-making (N.B. pending Board approval)
- Included a mandatory online training module as part of the onboarding process for all new starters
- Commenced work on a process to strengthen supply chain due diligence, by facilitating on-ground supplier audits
- Continued to engage and assess Beach's suppliers for potential Modern Slavery exposure, covering suppliers representing 97% of FY22 spend
- Determined that more than 98% of primary suppliers comply with the United Nations International Labour Organization (ILO) conventions
- Collaborated with suppliers and other organisations to share knowledge and best practices

Seven West Media

Seven West Media continues to review operations and supply chains, and those of the entities under their control, to assess the risk of Modern Slavery practices. Key risk areas identified for audit in FY22 were suppliers of commercial cleaning, suppliers of physical merchandise to sales and marketing, and suppliers of coffee.

In FY22, Seven West Media:

- Implemented a Supplier Questionnaire and rolled it out to high-risk suppliers in particular categories
- Assisted suppliers in understanding the purpose of the Supplier Questionnaire and their obligations.
- Commenced a project to implement a Vendor onboarding tool which has capability to capture Modern Slavery information at the commencement of Vendor onboarding.
- Commenced audits of vendor supply chains for Modern Slavery risk across the SWM Jointly Reporting Entities in select high-risk areas
- Incorporated Modern Slavery clauses into the SWM Standard Terms of Trade issued to SWM Suppliers; and
- Ensured a 3rd party supplier in the Philippines has a Modern Slavery Statement in place, which has been supplied and reviewed to ensure that it is managing and minimising any Modern Slavery risk in its own supply chain.

Consultation

WesTrac, Coates and Boral have prepared separate Modern Slavery Statements, which were provided to their respective Boards for review and approval. Despite their disclosure obligations being satisfied by this Joint Statement, it was concluded that for best practice purposes, they should publish individual statements to provide additional detail and insight into their Modern Slavery risk management practices.

A Group wide questionnaire is distributed bi-annually to senior management to allow Modern Slavery concerns to be escalated to the SGH Audit & Risk Committee and/or Board.

Members of the Modern Slavery Working Groups engage with industry experts to keep abreast of learnings and evolving good practice for reducing and managing Modern Slavery risk, and engaged with stakeholders to better understand and respond to their evolving expectations.

This Statement has been authorised by the Board of Seven Group Holdings Limited.



Ryan Stokes AO
Managing Director & Chief Executive Officer
22 December 2022