

WesTrac



WESTRAC'S

MODERN SLAVERY STATEMENT

4 December 2020

Prepared by Clem Croasdale | Submitted by Stephen Fewster

WesTrac is committed to operating our business lawfully, ethically, in respect of human rights, and opposes all forms of Modern Slavery. The actions undertaken during FY20 underpin our commitment to upholding our values, display our ethics, take responsibility for our behaviours, and act on our commitments to provide a value chain that is free from all forms of Modern Slavery.

Reporting Entity

This Modern Slavery Statement has been prepared for WesTrac Pty Ltd, ACN 009 342 572, located at 128-136 Great Eastern Highway, South Guildford, WA, 6055.

Company Structure

WesTrac is a fully owned subsidiary of Seven Group Holdings Limited (the Group) and as of 30 June 2019 employed 4,335 employees nationally.

Operations

WesTrac is the sole Caterpillar dealer in WA, NSW and the ACT operating from 23 branches. WesTrac provides customers with a wide range of earth moving machinery and construction equipment including comprehensive whole-of-life management solutions.

Supply Chain

As an Original Equipment Manufacturer (OEM) dealer WesTrac has commercial obligations to purchase from Caterpillar USA. Caterpillar has undergone its own due diligence to investigate Modern Slavery risks in its supply chain and details can be found [here](#).

During the FY20 reporting period, 95.8% of WesTrac's non-Caterpillar spend was with 2,353 active domestic suppliers. The remaining 4.2% of non-Caterpillar spend was with 49 active international suppliers.

WesTrac have assessed our Modern Slavery risk based on manufacturing activities where factories are producing the final product for resale, focusing on operations, industries, or products classified as "High Risk" as referenced against the Walk Free Foundations [Global Slavery Index](#).

Australia has one of the lowest Modern Slavery risk levels in the world, ranked 163 out of 167 ([Walk Free Global Slavery Index 2018](#)) for Modern Slavery risk.

WesTrac has assessed that the 2,964 Australian based suppliers engaged in FY20 present a low risk of Modern Slavery within their direct supply chain.

When assessing international suppliers, The Global Slavery Index details two high risk areas for WesTrac:

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

Whilst WesTrac does not directly import electronics or clothing products from international suppliers, WesTrac does purchase these products from Australian based suppliers. Given this information, WesTrac has taken the approach as recommended by the Walk Free Foundation and has reviewed both Strategic and Non-Strategic Hi-Value suppliers that provide electronic goods or garments.

Using the likelihood of Modern Slavery in electronics or clothing products as rated by the Walk Free Foundation to evaluate against Health, Safety, Environment and Quality and Legal / Regulatory compliance using the WesTrac Risk Matrix during FY20, the risk of Modern Slavery in the WesTrac international supply chain is deemed to be Moderate.

WesTrac's priority for FY20 has been to implement a new framework that represents our commitment to uphold the highest ethical business practices and behaviours. WesTrac's Framework is based on the Walk Free Foundation and includes five pillars:

1. Policy and Governance;
2. Communicating Expectations;
3. Potential Suppliers;
4. WesTrac Employees; and
5. Managing our Risk.

WesTrac have implemented a continuous review approach to Modern Slavery due diligence across our domestic and international suppliers. Suppliers for audit will be selected based on manufacturing activities where factories are producing the final product for resale, including where operations, industries, or products are classified as "High Risk" as referenced against the Walk Free Foundations [Global Slavery Index](#).

WesTrac will work with our suppliers by utilising a Supplier Assessment to ascertain required information. Strategic, Non-Strategic Hi-Value, and risk assessed based Suppliers are to complete annual self-assessments detailing their actions taken to combat Modern Slavery in their supply chain. Suppliers will be required to complete assessments by March each year.

Supplier assessments will be completed electronically to allow auditability and transparency into the process. Supplier responses have been weighted for risk and importance and are reviewed by data analytical rules with automatic notification and escalation of non-conformance. Dashboard reporting has been created to gain insight into supplier responses and highlight potential risk.

During FY20, WesTrac has created a clear process and policy relating to the reporting and remediation of Modern Slavery within our supply chain.

Any person who suspects any form or involvement of Modern Slavery is to report the incident to the National Procurement Manager (NPM) in accordance with WesTrac reporting guidelines. The NPM is responsible for entering the incident into the Incident Management and Corrective Action System to record and monitor. This system provides automatic escalation for inaction should any stakeholder fail to complete the required actions.

Anonymous and external reporting or escalation has been implemented and is available should the reporting party desire anonymity.

Any suspected occurrence of Modern Slavery in the value chain is to be investigated by a third-party due diligence team to ensure impartiality into the investigation and remove any actual or perceived conflict of interest.

Effectiveness of Process

WesTrac's actions and effectiveness for FY20 have been continuously monitored and reviewed by a Steering Committee that consists of the Group Manager Business Support and the NPM. Deficiencies or identified opportunities for continuous improvements have been addressed as they have arisen.

Based on actions advised by the Walk Free Foundation, WesTrac undertook a review of its strengths and weaknesses in assessing our maturity in evaluating our supply chain. The results of the review have formed the foundation for the five pillar Framework. Understanding our ability level in this space drove the priority improvements in FY20 and will set the agenda in FY21.

This understanding has impacted our approach to Modern Slavery in the following ways:

- Outsourcing of any audit or due diligence requirements to an expert third party, to build expertise in this space.
- Improved Supplier assessments to include weighted and targeted questions. Analytical rules provide automatic evaluation of responses to assess for any risk of Modern Slavery in WesTrac's supply chain. This includes automatic notification and escalation of suppliers that are deemed high risk sent to relevant parties.
- The results of the responses will be reviewed and assessed as correct or requiring further action by the Modern Slavery steering committee at the end of each reporting period.

Any actions that are deemed ineffective or require improvement will be assessed by the Steering Committee and entered into WesTrac's Continuous Improvement System which includes automatic notification and escalation if not resolved.

Further Information

For FY20, WesTrac has focused on the development of effective systems and processes to assess and remove any occurrence of Modern Slavery in its value chain. The focus has been predominately internal to ensure that we are situated to effectively audit and assess suppliers moving forward.

As WesTrac has implemented a new framework, the company will be embarking on continuous improvement activities to increase the effectiveness of its commitment to this issue.

Board Approval

This statement was approved by the board of WesTrac Pty Ltd on 17 December 2020.



Jarvis Croome

Director and Chief Executive Officer

11 May 2021