

WesTrac
Annual Slavery Statement FY22



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 FY22 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 at Level 30, 175 Liverpool Street, Sydney, NSW, 2000. WesTrac partially owns 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 29 branches within these locations. As of 30 June 2022, WesTrac employed approximately 4500, 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.

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 [Slavery and Human Trafficking Statement](#), [Australian Modern Slavery Statement](#), and [Human Rights Policy](#).

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 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 engaged to complete installations and modifications to Caterpillar equipment at WesTrac's branches as required.

Almost all purchases with non-Caterpillar suppliers during FY22 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.

Modern Slavery Risk in Operations and Supply Chain

WesTrac has assessed the risk of modern slavery in its operations as minor.

Most of WesTrac's workforce is employed directly by WesTrac in accordance with Australian laws, applicable modern awards, and enterprise agreements.

WesTrac's contractor 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. The following product categories were 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 are 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.

WesTrac also considers that there is a higher risk of modern day slavery within the operations of service contract services and labour hire providers.

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 and 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 risks. Checks are dependent on the nature of the supplier, location of supplier, and services provided in accordance with an established process.

During FY22, WesTrac undertook audits of 33 cleaning and security service providers. All suppliers were sent a modern slavery questionnaire to better understand each supplier's supply chain and evaluate processes and controls to mitigate modern slavery risk. Additional information was also used including the supplier's own modern slavery statement. The review did not reveal any evidence or indication of non-compliance with relevant labour laws and industrial instruments.

During FY22 WesTrac also worked with its 5 critical electronics suppliers to obtain visibility of their supply chains and gain a better understanding of the modern slavery risk. Requests for information returned various company policies and procedures, audit results from national and international based factory assessments, corrective action plans, and third party due diligence reports.

The monitoring of suppliers during the FY22 period has resulted in:

- 47 non-conformance notices for failing to provide information when requested;
- 14 Vendors deactivated for officially declining to respond; and
- 2 Vendors replaced for failing to respond.

WesTrac will continue to investigate substitute suppliers or products where the modern slavery risk presented by the supplier is assessed as being high, or where the supplier is unresponsive to WesTrac's enquiries, or does not act in accordance with WesTrac's values.

Employee Education

Education sessions have been 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 chain. Additionally, learnings from each year's actions are disseminated throughout the business.

Community Engagement

During FY22 WesTrac and SGH entities including Boral, Coates Hire, SGH, Beach Energy, Seven West Media, Allight Sykes, and Energy Power Systems Australia established a working group against modern slavery. The group attends quarterly meetings to share learnings in relation to the identification and management of modern slavery risk.

The working group has built a central knowledge library that includes supplier assessment results, supplier risks, and supplier remediation efforts, along with relevant supplier communications. Resources and references have been compiled to allow group members to gain further understanding of modern slavery in the supply chain and provide points of contact for assistance as required.

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 in 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 their 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 FY22 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

For further information regarding WesTrac's Modern Slavery Statement and actions please contact the Company Secretary at companysecretary@westrac.com.au.

Board Approval

This statement was approved by the board of WesTrac Pty Ltd on 7th November 2022.

**Jarvas Croome**

Director and Chief Executive Officer

7th November 2022