



Modern Slavery Statement 2022



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Modern Slavery Statement

This statement is provided by Aqua Terra Oil and Mineral Service and Supply Company Pty Ltd ACN 009 347 399 (ATOM) in accordance with the Modern Slavery Act 2018 and states the steps taken by ATOM to reduce modern slavery risks in its supply chain. This statement covers the year to 30 June 2022 and is issued on behalf of ATOM and its related bodies corporate and is approved by the Board of the respective entities.

ATOM is one of Australia's leading and fastest-growing industrial and safety supply companies with over 40 years of experience serving Australian industry. We have a network of Industrial & Safety Walkthrough Warehouses, over 35,000m² of distribution capacity, and access to over 1 million industrial products from leading manufacturers and brands. Each year we're trusted to deliver more than 275,000 parcels to all corners of Australia, and offer inventory management solutions, e-commerce capabilities, and a team of industrial safety specialists to help our customers manage their "little things".



OUR COMMITMENT

ATOM through our core ATOMite principles, Code of Conduct and related initiatives are committed to high standards of ethical behaviour from day to day business interactions to community engagement initiatives.

ATOM does not tolerate any form of human rights abuse, including modern slavery, and recognise the important role the business community has in protecting human rights and eradicating modern slavery and other human rights abuses.

ATOM acknowledges the responsibility we have in promoting ethical and sustainable business practices for not only ourselves but for all stakeholders throughout our supply chains. Human rights are of significant importance to all of ATOM's employees, customers, and communities surrounding the locations we operate in, and as such ATOM is committed to a journey of ongoing and continuous improvement to ensure the risk of modern slavery within our supply chain is minimised.

OUR SUPPLY CHAIN

ATOM is a private company employing over 350 ATOMites in metropolitan and regional locations across Australia. The procurement of industrial consumable, safety and related products for resale forms the most significant part of ATOM's supply chain.

ATOM engages with and purchases directly from a diverse range of suppliers to supplement our vast product offering. Many of these suppliers source from and have manufacturing facilities in multiple locations internationally. In FY22 ATOM purchased products from approximately 2,500 different suppliers, reflecting the diversity of sourcing that occurs through our supply chain. Approximately 80% of purchases are made through ATOM's top 200 suppliers. ATOM primarily sells within Australia to a range of customers and industries but also has export capabilities supporting industry in various regions internationally.

As we source from a diverse and expansive supplier base, we recognise that there is a risk modern slavery exists in our supply chain due to both its complexity and the wide variety of products sourced from a large supplier base.

The risk of modern slavery is expected to be higher with some suppliers due to the size of their companies, industries they operate in, nature of their products, the geographical location of their manufacturing facilities as well as the complexity of their own supply chains, while lower in other suppliers who are based in Australia with local manufacturing who source raw materials and other inputs locally.

ATOM also engages suppliers for business support functions such as information technology, logistics, vehicle and material handling equipment maintenance, property services (including waste, cleaning, utilities and security), legal and accounting services and marketing. These suppliers are primarily within Australia and form a smaller part of ATOM's supply chain.





OUR APPROACH

ATOM is committed to eradicating modern slavery from our supply chain by seeking to do business with suppliers that are aligned with our values, ethics and environmental practices.

We set clear expectations for our suppliers to conduct business in a manner that is ethical and sustainable. As a reseller, we purchase from reputable third-party suppliers who are expected to operate in a safe and ethical manner whilst respecting human rights. We expect these suppliers, as manufacturers, distributors and service providers, to have policies and programs in place to address modern slavery risks within their own supply chains.

ATOM is committed to continuous improvement in the way we work with all of our stakeholders in relation to minimising the risks of modern slavery.

As part of our Supplier Assurance Programs, we engage our suppliers through our **Supplier Risk Assessment Questionnaire** which has been sent to our top 200 suppliers, who represent approximately 80% of our supply. These assessments are used to understand our suppliers' risk assessment process, their own policies, actions and commitments in relation to reducing the risk of modern slavery in their own supply chains.

During FY22, we continued to receive responses from our Supplier Risk Assessment Questionnaires. We expect this program to expand and be rolled out to suppliers representing the smaller end of ATOM's procurement spend, as well as being included as part of yearly major supplier discussions, and prequalification questionnaires for new major suppliers. These activities are part of ATOM's proactive approach to managing the risks of modern slavery, and by working together with our suppliers we seek to drive higher levels of engagement and compliance across our supply chain in relation to these matters.

We know these actions have been effective when we receive high response rates and engaged participation within the submitted responses.

As ATOM continued to receive responses to a previous year Supplier Risk Assessment Questionnaire these responses have been reviewed in conjunction with responses received during FY22 as part of the FY22 modern slavery considerations.

Approximately 50% of suppliers engaged during the process by returning a completed questionnaire which, taking into consideration the request for responses on the subject may be relatively new for some companies, provides a solid base to build on and provides insight into how ATOM may continue to refine how it interacts with its suppliers around their role in managing the risk of modern slavery in their supply chains. Many of these suppliers also confirmed they had developed a modern slavery statement or were in the process of developing a statement. ATOM will continue to engage with suppliers to increase rates of participation and response.

We also note these actions are effective when suppliers reach out to discuss the subject or share additional detail to that requested through the Supplier Risk Assessment Questionnaires, including sharing their modern slavery statements and detail around the programs in place to assess the risks that may be present in their supply chains.

As part of the above we have conducted our own search of the Online Register for Modern Slavery Statements for ATOM's major suppliers and reviewed these statements as a further step in understanding the risks in the supply chain and what actions others within the supply chain are taking.

ATOM has access to the audit program of one of its largest suppliers. These third party Ethical Trade Audits cover amongst other items, labour practices, living wages and benefits, freedom of association and freely chosen employment and are conducted at several factories of the supplier.

ATOM's **Supply Chain Assurance Committee** assists in monitoring the risks of modern slavery, as well as identifying training opportunities to assist ATOM employees in risk identification. The Supply Chain Assurance Committee also reviews responses from the Supplier Risk Assessment Questionnaires. The effectiveness of these programs will continue to be assessed to ensure risks are appropriately identified and actioned.

ATOM's Supply Chain Assurance Committee also considers compliance activity undertaken on major suppliers, continues to explore ideas to refine our approach and understand any feedback from members of the ATOM team, whose input on the subject is encouraged and greatly valued.



Our Contract Management and Procurement team members receive training on ATOM's Modern Slavery Policy as well as Modern Slavery Training. Modern Slavery training provided consists of E-learning courses from organisations including Anti-Slavery Australia and covers topics including but not limited to the types of modern slavery, how modern slavery can exist in global and local supply chains and background on the Modern Slavery Act. This training raises awareness and understanding of the risk of modern slavery and provides further education to staff around risk identification. All training materials and resources are available to employees who were either unable to complete the training initially or wish to refer back to refresh their knowledge.

Content for Toolbox Talks has been provided to ATOM's branches to promote awareness of ATOM's activities and provide employees with a chance to give feedback. Although many staff in ATOM's branches are unlikely to be involved in significant procurement activities, making these materials available is viewed as an important awareness raising activity.

On a local level, ATOM also has in place procedures and mechanisms available to all employees, including those in the supply chain, allowing them to ask questions and voice any concerns including but not limited to how we operate, employ, how we interact with the communities we operate in and how we may impact those who form part of our supply chain. We view this as an extension of the Truthfulness and Openness ATOMite principles which are key values of the business and are accessed through the employee's supervisor or the HR department. Employees are welcome to report any concerns or issues anonymously.

Going forward ATOM will continue to engage with suppliers including the addition of a modern slavery review as part of ATOM's quarterly review process which is undertaken with our top 50 suppliers. This will provide more regular dialogue in relation to the suppliers' own management of modern slavery risks.



Perform supplier risk assessments to better understand where our products are coming from



Work with our suppliers and encourage compliance in relation to our modern slavery expectations



Continually monitor the risks of modern slavery and listen to the feedback of our team

At ATOM, we understand that while we may not have control over how every individual supplier views or treats its role in managing the risk of modern slavery in their supply chains, we are both proud to be involved in our own programs and to submit our Modern Slavery Statement under the Modern Slavery Act 2018.

ATOM recognises that tackling modern slavery will require a sustained, ongoing and meaningful commitment, and will continue to work with internal and external stakeholders to address our role in minimising the risk across our supply chain.

The Directors of the entities covered by this statement reviewed and consulted prior to approving the statement. The related bodies corporate also covered by this statement, which are in nature holding companies, are under the same directorship and oversight as ATOM and as such consultation occurs simultaneously for ATOM and its related bodies corporate.



ANNEXURE 1 - MODERN SLAVERY ACT 2018 (CTH) MANDATORY CRITERIA CHECKLIST

The table below indicates where information related to each of the mandatory criteria in section 16 of the Act can be found:

Mandatory criteria	Page number/s
a) Identify the reporting entity.	2
b) Describe the structure, operations and supply chains of the reporting entity.	3
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	4
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	4 - 5
e) Describe how the reporting entity assesses the effectiveness of these actions.	4
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls.	5
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.	2- 5

Jason Johnson
Chairman

19 December 2022

Mark Bishop
Director