



ESCO
The Weir Group PLC
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Australia Modern Slavery Statement 2020

28 June 2021

Submitted by:
ESCO Australia Holdings Pty Limited (ABN 140 443 223)
25 Trade Street
Lytton, Queensland, 4178
Australia





This statement is submitted by ESCO Australia Holdings Pty Limited (ABN 140 443 223) for the fiscal year ending on 31 December 2020, pursuant to the Modern Slavery Act (Cth) 2018. Incorporated and headquartered in Australia, ESCO Australia Holdings Pty Limited is a holding company comprised of nine subsidiaries and two branches in five countries with annual consolidated revenue exceeding AU\$100 million.

ESCO Australia Holdings Pty Limited is a subsidiary of The Weir Group PLC. Established in Scotland over 150 years ago, The Weir Group PLC is a global engineering business offering a wide range of solutions, primarily to the minerals and infrastructure markets.

As a subsidiary of The Weir Group PLC, ESCO Australia Holdings Pty Limited maintains a zero-tolerance approach to any form of modern slavery (namely, slavery, servitude, forced or compulsory labour, and human trafficking). The Weir Group PLC recognises that its responsibilities extend to its supply chain and is committed to maintaining a supply chain process which sets out the minimum standards it expects its suppliers to abide by in connection with how suppliers treat their workforce, legal and regulatory compliance, health and safety, business ethics, and environmental standards.

ESCO Australia Holdings Pty Limited Subsidiaries	Country of Incorporation
ESCO Group Holdings Pty Limited	Australia
ESCO Northgate Pty Limited	Australia
ESCO Dunedin Pty Limited	Australia
ESCO Dunedin Pty Limited – New Zealand Branch	New Zealand
ESCO Engineering Kingaroy Pty Ltd	Australia
ESCO Engineering Pty Ltd	Australia
ESCO Engineering Pty Ltd -ROHQ Philippines Branch	Philippines
ESCO Indonesia Investco No 1 Pty Ltd	Australia
ESCO Indonesia Investco No 2 Pty Ltd	Australia
PT ESCO Mining Products	Indonesia
ESCO Japan Inc.	Japan

The policies, processes, and expectations described in this joint statement refer to The Weir Group PLC's global policy framework, which has been designed to ensure a unified approach to managing modern slavery risks across The Weir Group PLC's global operations and supply chain. The specific processes and commitments refer to the ESCO Australia Holdings Pty Limited and its subsidiaries.

Operations

The Weir Group PLC aims to be a partner of choice to its customers with a worldwide network of over 200 manufacturing facilities and service centres. The Weir Group PLC has a presence in over 50 countries, with over 11,400 people around the world working in two divisions, Minerals and ESCO.

ESCO Australia Holdings Pty Limited's products and technology are used in mining and infrastructure markets in Australia and throughout the Asia Pacific. It produces highly engineered ground engaging tools and provides aftermarket support for mining and infrastructure.

Supply Chain

ESCO Australia Holdings Pty Limited sources raw materials, components, and services from several countries, including countries and industries where the risk of modern slavery may exist. ESCO Australia Holdings Pty Limited's thousands of



suppliers play a critical role in the business, therefore the relationships with them are based on achieving the best performance, product delivery times, service, and total cost in an ethical and sustainable manner.

The supply chain includes, among others, the following goods and services:

- Raw materials
- Electricity
- Fabrication and machining services
- Freight and logistics
- Components
- Corporate services
- Consultancy services
- Temporary labour

The Weir Group PLC's Global Framework to Combat Modern Slavery

The Weir Group remains firmly committed to ensuring that there is no form of slavery, servitude, forced or compulsory labour, or human trafficking in our operations. This commitment is reflected in the Weir [Code of Conduct](#) and [Human Rights Policy](#), both of which are shared and made available publicly on The Weir Group's website. The Weir Group shares this commitment with its suppliers and business partners, and it is committed to not doing business with suppliers and business partners that are not working to comparable generally accepted human rights standards. The Weir Group's expectations of suppliers are set out in its [Supply Chain Policy](#) which is publicly available on its website.

The prevention, detection and reporting of human rights violations in any part of the business or supply chain is the responsibility of all those working for Weir, and The Weir Group expects its people to maintain the utmost standards in conformity with these principles. The Global Head of Compliance and a dedicated compliance team oversee seven core compliance areas, including The Weir Group's commitment to preventing modern slavery. The Weir Group Compliance team works closely Weir's Supply Chain team, Sustainability team, and Human Resources to uphold that commitment.

The Weir **Code of Conduct** declares The Weir Group's zero-tolerance approach that it will not do business with companies, organisations, or individuals that are not working to comparable generally accepted human rights standards. The Code of Conduct further lists the following prohibitions:

- Prohibition against child labour, modern slavery or servitude, and forced labour;
- Prohibition against unreasonable excessive working hours;
- Prohibition against working with companies that do not respect human rights principles; and
- Prohibition against trying to persuade Weir employees to accept working terms or conditions inconsistent with the principles of The Weir Group's Human Rights Policy.

The Weir Group PLC's **Human Rights Policy** communicates to its customers, suppliers, investors, employees, and the communities in which Weir operates the ethical and social values Weir respect and its commitment to uphold human rights. The Human Rights Policy was developed after consulting the United Nations Universal Declaration of Human Rights, Conventions of the International Labour Organisation, and United Nations Convention on the Rights of the Child. The policy states that the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, is strictly prohibited within The Weir Group's operations as well as the operations of its contractors, suppliers, and business partners. The policy further expresses The Weir Group's expectations that its suppliers will aim to prevent and detect human rights violations and report any violations that occur to us.

The Weir Group PLC's **Supply Chain Policy** sets out its expectations that its suppliers will provide it with goods and services whilst not exposing its employees, the suppliers' employees, or suppliers' local environment to unacceptable risks. The policy requires the following from all suppliers, as a minimum standard:

- No forced, bonded or involuntary prison labour will be used;



- No children are to be employed, consistent with the UN Convention on the Rights of the Child;
- No forms of modern slavery, servitude, forced nor compulsory labour, nor human trafficking are to be employed; and Supplier's employees be paid wages for standard working hours that meet or exceed national minimum requirements.

Risks of Modern Slavery Practices in Our Operations and Supply Chain

Our Workforce

Weir believe its operations have a lower risk for modern slavery because it has direct control over its operations. As a subsidiary of The Weir Group, ESCO Australia Holdings Pty Limited aims to maintain a safe and collegial working environment in which human rights are upheld and employees can thrive. All employees must receive Weir Code of Conduct training on Weir's core values upon hire and on an annual basis. ESCO Australia Holdings Pty Limited holds its employees accountable if they fail to embrace these values or treat one another with respect: any employee who is found to have violated company policy is subject to disciplinary action.

To identify any issues that may arise, employees can raise their concerns through three primary mechanisms. First, The Weir Group's "speak up" culture encourages employees to feel empowered to notify management, including the CEO and human resources of their concerns. Second, employees can report issues confidentially through the Weir Ethics Hotline. This hotline is also available to any suppliers with which we work. Third, an annual employee engagement survey conducted by a third party provides another opportunity for employees to indicate concerns with their working environment anonymously.

Country of operation	Number of employees
Australia	54
Philippines	81
New Zealand	1
Indonesia	11

Our Suppliers

Weir believes that its supply chain is its primary risk for modern slavery, as there is less control over and visibility into supply chain activities in comparison to Weir's operations.

In 2016, The Weir Group's former Global Supply Chain function created a risk-based approach to managing supply chain risk, in connection with the enactment of the UK Modern Slavery Act. The Global Supply Chain function assigned one of four risk ratings— extreme, high, medium, and low—to countries based on the Global Slavery Index and global spend. Following this risk assessment, in countries with greater risks such as China and Malaysia, The Weir Group asked key suppliers to sign a statement confirming that they will comply with The Weir Group's expectations on labour practices and confirm that they do not use any form of modern slavery in their operations or their sub-suppliers' operations.

ESCO Australia Holdings Pty Limited's has taken actions to address modern slavery risks in its supply chain as described in this statement. Consistent with Weir's commitment to upholding human rights, ESCO Australia Holdings Pty Limited aims to continuously improve its modern slavery compliance program. A necessary step for improvement is the performance of a new risk assessment of its operations and supply chain. As such, ESCO Australia Holdings Pty Limited's plans to begin an updated, in-depth risk assessment of its supply chain in 2021-2022. This risk assessment has been delayed due to the impact of the COVID-19 pandemic.¹

¹ After the COVID-19 outbreak in early 2020, ESCO Australia Holdings Pty Limited's has been paying close attention to the development of, and the disruption to business and economic activities caused by the outbreak. One such disruption was the delay to the planned modern slavery risk assessment for ESCO Australia Holdings Pty Limited. Otherwise, while ESCO



Supplier Due Diligence & Management Process

In 2020, The Weir Group's ESCO Division took steps to enhance its modern slavery compliance program by further integrating human rights principles into its supplier selection and onboarding processes. ESCO Australia Holdings Pty Limited began following these updated policies in the first quarter of 2021.

Screening Prospective Suppliers

The supplier selection process includes inquiries about prospective Tier 1 suppliers' policies and processes designed to ensure compliance in the areas of business ethics and practices, human rights and social responsibilities, health, and safety. The procurement team rates these prospective suppliers on various criteria, including whether they have policies on human rights, modern slavery, child labour, or indentured servitude.

Any red flags that are raised during the screening must be reviewed in consultation with business leadership and the Weir legal team. As stated, ESCO Australia Holdings Pty Limited will not procure goods or services from a supplier that is known to engage in modern slavery practices.

Onboarding of Suppliers

After selection, tier 1 suppliers receive a copy of The Weir Group's values and commitment towards upholding human rights and the requirement for its suppliers to do the same. As a result of the 2020 enhancements, beginning in 2021, all Tier 1 suppliers, are now required to sign a Supply Chain Code of Conduct declaration stating that they are aware of the Weir Group's expectations concerning modern slavery practices (as described in The Weir Group's UK Modern Slavery Statement) and the Weir Code of Conduct. ESCO Australia Holdings Pty Limited requires all its suppliers to sign a declaration that acknowledges the Modern Slavery Act (Cth) 2018.

Management of Suppliers

ESCO Australia Holdings Pty Limited's relationships with its suppliers are further governed by standard terms and conditions which legally bind suppliers to following the principles of the Weir Code of Conduct as well as complying with all relevant laws.

After appointment, The Weir Group monitors suppliers' performance based on delivery, cost, and quality. Site visits enable Weir employees to identify possible signs of non-compliance. Depending on a supplier's criticality and geographic location, sourcing personnel formally may audit suppliers for their compliance with our labour expectations during routine audits.

If any individual, supplier, non-governmental organisation or any other organisation has evidence of modern slavery in Weir's operations, The Weir Group encourages them to contact the Weir Ethics Hotline. Reports will be investigated and appropriate action will be taken. For any supplier that is found to be noncompliant with our policies, we will terminate our relationship unless conditions are immediately improved and compliance is restored. Our supply chain monitoring activities do not extend to sub-suppliers. We rely on suppliers to monitor sub-suppliers for compliance with The Weir Group's policies.

Effectiveness of Our Actions in 2020

The Weir Group monitors the effectiveness of its policies and procedures and compliance thereof through the Weir Ethics Hotline and periodic internal audits. In 2020, no modern slavery issues relating to its supply chain were reported into the Weir Ethics Hotline, and no incidence of modern slavery was identified through internal audits.

Australia Holdings Pty Limited has experienced this and other disruptions, the impact of COVID-19 has been relatively limited.



Consultation

This statement was prepared and approved after consultation with the board of directors of ESCO Australia Holdings Pty Limited, the senior leadership for the operating entities of ESCO Australia Holdings Pty Limited, the supply chain leadership of ESCO Australia Holdings Pty Limited, and [human resources for ESCO Australia Holdings Pty Limited]. Consultation included meetings and email correspondence.

This statement was reviewed and approved by the board of directors of ESCO Australia Holdings Pty Limited on 28 June, 2021.

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Steve Lennard

, Director of ESCO Australia Holdings Pty Limited

