



MODERN SLAVERY STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

**STRENGTH.
COMMUNITY.
RESILIENCE.**

SGH | Industrial Services, Media,
Energy and Investments

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CORPORATE DIRECTORY

DIRECTORS

Kerry Stokes AC (Executive Chairman)
Ryan Stokes AO (Managing Director & Chief Executive Officer)
Annabelle Chaplain AM
Terry Davis
Kate Farrar
Christopher Mackay
David McEvoy
Warwick Smith AO
Richard Uechtritz

COMPANY SECRETARY

Warren Coatsworth

REGISTERED OFFICE

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Introduction

Seven Group Holdings Limited (SGH) is an Australian diversified operating and investment group with market leading businesses and investments in industrial services, oil and gas and media. SGH's purpose is to recognise and serve exceptional businesses with an objective of maximising returns to stakeholders through long-term sustainable value creation. SGH and its controlled entities (the Group) employs in excess of 5,800 people.

Modern slavery is a serious issue throughout the world and can occur in many forms. With an extensive supply chain, the Group recognises that our procurement activities have social and environmental impacts and is committed to working with suppliers to understand and minimise impacts from our business operations.

This Modern Slavery Statement (Statement) sets out the steps taken to review and prevent modern slavery in our businesses and supply chains during FY20. SGH will continue to develop and enhance its framework for evaluating the risk of modern slavery within its operations to address any areas of concern.

This Statement has been prepared by SGH for the year ended 30 June 2020 (FY20). This Statement has been approved for submission by the SGH Board of Directors (Board) and is made pursuant to the Modern Slavery Act (Cth) 2018 (the Act).

This is the first Statement prepared by SGH. SGH has adopted the extended timeframe offered to submit this Statement by 31 March 2021.

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 was formed in 2010 and is listed on the Australian Securities Exchange (code: SVW).

The diagram below provides an overview of the Group structure:

Industrial services	Industrial services	Energy	Media investments
 <p>WesTrac (100% owned) is one of the largest CAT dealers globally (by sales) and supports customers in Australia's rich iron ore and thermal coal regions</p> <p>28 branches \$3.5 bn revenue</p> <p>Focus on parts supply, component rebuilds, parts exchange and autonomous mining</p> <p>Key customers: BHP, CIMIC, FMG, Glencore, Macmahon, Mineral Resources, Rio Tinto, Roy Hill</p>	 <p>Coates Hire (100% owned) is the largest nationwide industrial and general equipment hire company. AllightSykes is a manufacturer and distributor of lighting, dewatering and power solutions globally</p> <p>Over 160 branches \$1.1 bn revenue</p> <p>Focus on large tier one customers, mid-tier and trade, engineering solutions</p> <p>Key customers: BMD, CIMIC, Downer, FMG, John Holland, Lend Lease</p>	 <p>Beach Energy (28.5% owned) is a leading mid-cap E&P business and a key supplier to a growing East Coast gas market</p> <p>SGH Energy (100% owned) holds operated and non-operated oil and gas interests including 15% of the Crux LNG Project</p> <p>Key customers: Alinta, AGL, Adelaide Brighton, Origin Energy</p>	 <p>Seven West Media (40% owned) is a leading diversified media company in Australia</p> <p>Monthly Australia-wide audience reach of: - 17.3m in Seven Network - 9m in 7Digital - 3.7m in WAN + digital</p> <p>Other media investments include interests in China P/E funds</p>

The Group primarily operates within Australia; with smaller operations in Indonesia, the United States of America, the United Arab Emirates, South Africa and New Zealand. SGH's controlled entities are detailed in Note 32: Controlled Entities in the [2020 Annual Report](#).

This Statement focuses on the following material entities within the Group:

- WesTrac Pty Limited (WesTrac) - ABN 63 009 342 572; and
- Coates Group Holdings Pty Limited (Coates) - ABN 85 126 069 341.

WesTrac and Coates are 100% owned and controlled by SGH. WesTrac and Coates have also prepared individual modern slavery statements which can be found on their website.

SGH also holds significant equity accounted investments in the following entities who prepare their own standalone modern slavery statements:

- Beach Energy Limited - 28.5 per cent ownership interest; and
- Seven West Media Limited – 40.2 per cent ownership interest.

These entities are not controlled by SGH. Modern slavery risks relating to entities not controlled by SGH are excluded from the scope of this Statement.

Approach

As a diversified organisation, it is recognised that our business activities could impact human rights of people and communities.

It is acknowledged that all products and services may carry the risk of modern slavery in the supply chain.

Modern Slavery means conduct which would constitute slavery, servitude, forced labour, deceptive recruiting for labour or services, forced marriage, trafficking in persons, organ trafficking, harbouring a victim, debt bondage, and the worst forms of child labour.

The Act requires entities based or operating in Australia which have an annual consolidated revenue of at least \$100 million to report on the risks of the modern slavery in their operations and supply chains and the actions taken to address those risks.

This Statement is a joint statement with a focus on material entities controlled by SGH, WesTrac and Coates, whose annual revenue is in excess of \$100 million. Whilst there are other controlled entities within the Group, these entities do not currently meet the \$100 million revenue criteria and therefore have not been specifically referred to in this Statement. However, all controlled entities operate under the Governance Framework set by the Board.

It is recognised that our business activities could impact human rights of people and communities and acknowledged that all products and services may carry the risk of modern slavery in the supply chain. As a diverse organisation operating in different industries and with different supply chains, each business undertakes their own review of modern slavery risks and processes for addressing modern slavery risks in their supply chain.

In implementing an approach to addressing modern slavery across the Group, the following framework was adopted:

1. 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.
2. Risk assessment – consideration of key risk areas and classification to allow higher risk areas to be targeted and mitigated.
3. Process – embedding modern slavery considerations into supplier negotiations and agreements when procuring goods and services and stakeholder engagement.
4. Training – education and training of employees to raise awareness on modern slavery and mechanisms for reporting or escalating any grievances (eg whistleblower options).
5. 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.

Governing Framework

The Board is empowered to manage the business of SGH subject to the Corporations Act and the Company's Constitution. The Audit & Risk Committee has responsibility for overseeing the Group's response to modern slavery risks. The Board has responsibility for the review and approval of this Statement.

As outlined in the Group's [2020 Corporate Governance Statement](#), the Group has a solid framework to oversee the operations of the Group and instil a culture of acting lawfully, ethically and responsibly. The Group's core values include respect, owner's mindset, courage and agility.

SGH's key operating principles and policies include:

- Codes of Conduct – [Code of Conduct for Directors](#) establishes guidelines for the conduct of Directors, including in matters such as ethical standards and the disclosure and management of conflicts of interest. [Employee Conduct Guidelines](#) have also been adopted by the Group for employees to guide employees on how to act and clarify how the Company expects employees to perform.
- [SGH Whistleblower Policy](#) – provides guidance on how to escalate concerns about suspected or actual unethical or unlawful behaviour.
- [SGH Fraud and Corruption Policy](#) – provides guidance on the expected conduct for the investigation of fraud, corruption or other similar irregularities.
- [SGH Diversity Policy](#) – outlines SGH's commitment to achieve a diverse and inclusive work environment having regard to diversity factors such as gender, age and cultural background.

These documents are available on the Group's website.

The approach to the procurement of goods and services is underpinned by the [Employee Conduct Guidelines](#). Those involved in procurement needs to act fairly and ethically.

The Group has an established Risk Management Policy to ensure there is a consistency in the methods used in assessing, monitoring and communicating risks throughout the Group and that risk management efforts are aligned with SGH's strategic and business objectives.

Group Executives are responsible for reviewing emerging risks and opportunities, leading stakeholder engagement and facilitating the sharing of best practices across the Group. Each business unit reports periodically on key risks in their business unit to the Audit & Risk Committee as well as complete a bi-annual questionnaire to highlight any concerns around modern slavery risks.

Material business risks are delegated to appropriate Executive Management. Each Group Executive's performance is assessed across a variety of key performance indicators including financial and non-financial metrics.

SGH recognises the importance of protecting the organisation, its operations, employees and assets against financial risks, operational breaches and unethical activities and is committed to acting ethically.

Operations

SGH has zero tolerance for all forms of modern slavery and human trafficking.

The Group has a large and diverse network of business partners and suppliers and strives to provide safe and sustainable equipment solutions and prioritises the safety and well-being of its employees and customers.

The Group primarily operates within Australia with smaller operations in other countries such as Indonesia, the United States of America, the United Arab Emirates, South Africa and New Zealand. Further information on our businesses is set out in the [2020 Annual Report](#) which is located on our website www.sevengroup.com.au.

WesTrac and Coates have a long and proud history of operations in Australia, with WesTrac celebrating 30 years and Coates celebrating 135 years in FY20.

WesTrac

WesTrac is the sole authorised Caterpillar dealer in Western Australia (WA), New South Wales (NSW) and the Australian Capital Territory (ACT). WesTrac operates 28 branches across WA, NSW and the ACT and provides customers with a wide range of earth moving machinery and construction equipment including comprehensive whole-of-life management solutions. WesTrac works closely with Caterpillar to provide customers with unique and innovative solutions and remains committed to being our customers' first choice in equipment solutions.

Coates Hire

Coates Group has two companies within its group that provides equipment hire solutions: Coates Hire and PT Coates Hire Indonesia (PT Coates Hire). Coates Hire operates throughout Australia whereas PT Coates Hire operates in Indonesia. Coates Hire is Australia's leading equipment hire provider, operating across a range of markets including engineering, mining and resources, infrastructure, manufacturing, construction, agriculture and major events revenue. PT Coates Hire business is in the process of implementing measures to further mitigate the risks of modern slavery. PT Coates Hire represents approximately 2 per cent of the Coates Hire business based on revenue for FY20.

Supply Chain Risks

The Group procures goods and services across a wide range of industries and recognises there is a risk of modern slavery in supply chains. Risk assessments have been undertaken to identify and begin to address higher risk areas.

PROCUREMENT ACTIVITIES		
Goods for resale or hire	Goods for use	Services
Goods acquired for resale (product sale) or hire as well as goods used in providing product support services to customers.	Goods to support the Group's operations such as industrial parts and consumables, IT equipment, uniforms, tooling and office supplies.	Services such as leased properties, facilities management, energy, IT, financial services, legal, compliance, marketing, freight and logistics.

The majority of procurement by the Group is from Caterpillar Inc (Caterpillar), domestic Australian suppliers or domestic labour governed by Australian employment law.

However, the Group also has small operations in foreign countries and acknowledges that there is a higher risk of modern slavery in some of these jurisdictions. The Group will continue to work with these areas to assess and address modern slavery risks.

WesTrac

WesTrac has assessed its 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](#) (Global Slavery Index).

As an Original Equipment Manufacturer (OEM) dealer, WesTrac has commercial obligations to purchase from Caterpillar, a global group headquartered in the USA with manufacturing operations in multiple countries. Caterpillar has undertaken its own due diligence to investigate [Modern Slavery risks](#) in its supply chain and has a published Human Rights policy and Modern Slavery statement.

Caterpillar's Human Rights policy outlines that the company is committed to respecting recognised human rights principles aimed at promoting and protecting human rights in the countries in which they operate. Consistent with Caterpillar's commitment, and in accordance with applicable law and practice, Caterpillar:

- do not condone and strive to eliminate all forms of forced labor, child labor, and discrimination in the workplace;
- work to establish safe and healthy working conditions;
- value diversity as a foundational key to the success of our business strategy;
- seek to compensate our employees fairly and competitively where they work; and
- respect principles of freedom of association and the right to collective bargaining.

Caterpillar believes the risk of modern slavery is low in its operations and those of its direct suppliers and is taking actions to address modern slavery risk where it may potentially exist.

During FY20, 96 per cent of WesTrac's non-Caterpillar spend was with 2,353 active domestic suppliers. The remaining 4 per cent of non-Caterpillar spend was with 49 active international suppliers.

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

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.

When assessing international suppliers, the Global Slavery Index details two high risk areas which are relevant for WesTrac:

- electronics from China and Malaysia, specifically laptops, computers and mobile phones; and
- garments from Argentina, Brazil, China, India, Malaysia, Thailand or 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 best practice 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.

Coates Hire

Coates Hire is committed to minimising the risk of modern slavery practices in its supply chain. As an equipment solutions provider, Coates Hire has over 4,200 suppliers. In FY20, approximately 90 per cent of Coates Hire's products are sourced from domestically based suppliers who source their equipment both domestically and globally. Other suppliers include those based in New Zealand, the European Union, the United States of America, the United Kingdom, Japan, China and Taiwan.

Coates Hire has identified the biggest risks of modern slavery practices to exist with respect to overseas manufacturers of equipment, particularly manufacturers that operate and/or produce goods in sovereign states that do not have globally accepted standards for labour or the appropriate regulatory mechanisms in place to police breaches of those standards.

With respect to services acquired by Coates Hire, these are done so domestically with suppliers bound by domestic employment and other laws.

A questionnaire was distributed to many of Coates Hire's suppliers to ascertain other risks that may exist further down its supply chain. To mitigate the risk of modern slavery practices more generally, Coates Hire requires its suppliers to provide contractual warranties assuring Coates Hire that the supplier does not engage in modern slavery practices, and that the supplier is not aware of such practices existing in its supply chain. In addition, all of Coates Hire's suppliers are bound by the Supplier Code of Conduct, which expressly requires suppliers to comply with international and domestic regulations relating to modern slavery.

Coates Hire is developing a rigorous supplier risk assessment process whereby suppliers are assessed against a criteria to identify businesses that have a high risk of engaging in modern slavery practices either directly or indirectly through its supply chain. Key factors to be considered when assessing suppliers under the policy include geographical location of the supplier's production facilities, where materials are sourced from, policies and procedures the supplier already has in place and any known history of modern slavery or related practices.

Where a supplier that is classified as 'high risk' fails to implement processes to mitigate the risk of modern slavery practices, Coates Hire may in the future cease dealings with the supplier if remediation actions, such as implementing appropriate policies and procedures, are not undertaken.

Actions Taken and Effectiveness Assessment

With an extensive supply chain, the Group recognises that our procurement activities have social and environmental impacts and is committed to working with suppliers to understand and minimise impacts from our business operations.

The process to identify modern slavery risk across the Group will be subject to an annual review to assess the effectiveness and make any necessary improvements. The risk assessment process will commence in the next reporting period and will include an analysis of whether the current policies in place have the intended effect of encouraging high and medium risk suppliers to implement essential policies and procedures to combat modern slavery.

WesTrac

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 best practice provided by the Walk Free Foundation and includes five pillars:

- policy and governance;
- communicating expectations;
- potential suppliers;
- WesTrac employees; and
- managing our risk.

WesTrac have implemented a continuous review approach to modern slavery due diligence across 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 their 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.

Coates Hire

At Coates Hire, the process will be as follows:

- continue to monitor and assess company operations and supply chain risks of COVID-19;
- strengthen networks with employees, customers and communities in which the company operates to ensure accurate, real time information is provided;
- streamline human rights processes across the company and focus on core labour rights issues in times of crisis;
- provide modern slavery compliance training to employees;
- raise awareness of modern slavery among employees, customers and suppliers;
- identify strategic partnerships to enhance Coates Hire's approach to eradicating modern slavery;
- consult with at risk groups of employees across its operations and global supply chain on Coates Hire's modern slavery strategy;
- ensure customer and supplier contracts contain modern slavery provisions; and
- conduct annual risk assessments and audits of Coates Hire's operations, customers and suppliers.

Consultation

Both WesTrac and Coates Hire have prepared individual Statements. These Statements are provided to their entity level Board for review and approval.

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

Other Information

COVID-19 has had a significant impact on the world and has increased the vulnerability of workers in our operations and our global supply chains. COVID-19 changed the way the Group works and required a rapid response to ensure SGH continued to keep its employees, customers and the wider communities in which it operates safe from the spread of COVID-19. A centrally co-ordinated SGH Nerve Centre was established to ensure that all businesses are prepared for any eventuality. To date, supply chains have not been significantly impacted by COVID-19.

The activation of the SGH Nerve Centre allowed a consistent and considered response to the pandemic across the Group's operations with an extensive risk assessment process undertaken to identify foreseeable and potential risks and determine control measures implemented.

The Group acknowledges that suppliers may be impacted as a result of the COVID-19 pandemic for a variety of reasons such as branch or factory closures, workforce changes, supply chain shortages, order cancellations and delays in transporting products. Supplier workforces may be impacted by employees experiencing loss of pay, excessive hours or restrictions in ability to travel to/from workplace and home.

As an essential service, the Group continued to trade through the pandemic. The Group continues to closely monitor the impact of and response to the pandemic and take proactive steps to protect vulnerable workers in its operations and supply chains as part of the broader response to the pandemic.



SGH will continue to develop its modern slavery framework, collaborate with suppliers to identify and address modern slavery risks and work with our businesses to embed processes to combat modern slavery in our operations.

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

A handwritten signature in black ink, appearing to read "Ryan Stokes AO".

Ryan Stokes AO
Managing Director & Chief Executive Officer
30 March 2021

