

Coates

Equipped for anything

Modern Slavery Statement 2020

Coates Group Holdings Pty Limited

ACN: 126 069 341



This statement is made pursuant to section 13 of the **Modern Slavery Act** 2018 (Cth) in relation to the operations and supply chains of the subsidiaries of Coates Group Holdings Pty Limited (the “Coates Group”) for the period 1 July 2019 to 30 June 2020.

Introduction

The Coates Group's subsidiary, Coates Hire Operations Pty Limited ("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.

In FY20, Coates Hire celebrated 135 years of commitment to supporting their customers who help build Australia. With a national footprint of over 150 branches, more than one million pieces of equipment and over 1,900 highly skilled employees, Coates Hire provides expert equipment solutions for nearly 19,000 customers. This includes end-to-end solutions for temporary works, traffic management, water management, industrial shutdowns, maintenance, training services and events.

The company vision is to be the market leader in safe, smart and sustainable equipment solutions. To support this vision Coates Hire's values; Care Deeply, Be our Best, Customer Focused and One Team, guide the way the team works to achieve their goals and drive the growth of the organisation and improving customer experience.

For Coates Hire, the safety and wellbeing of its people, customers and communities has always been its highest priority. The existence of modern slavery practices in Australia and across the world is a grave concern and Coates Hire is therefore committed to doing what it can to eradicate such practices where they may exist in its operations and supply chain by improving company practices and procedures and implementing new processes as necessary.



Company Structure



Coates Group has two companies within its group that provide 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.

Whilst there are other companies that fall within the Coates Group, these companies do not operate businesses nor have supply chains, and therefore, have not been referred to in this statement.

The Coates Group is a wholly owned subsidiary of Seven Group Holdings Pty Ltd (“SGH”). Due to the Coates Group and SGH operating in different industries and having different supply chains, the entities have elected to submit separate statements.



Operations

The Coates Group is committed to upholding the UN Guiding Principles on Business and Human Rights throughout its operations and supply chains. Coates Hire has over 1900 employees with branches in over 150 metropolitan, regional and remote locations across Australia.

In addition, Coates Hire has 5 branches operating in Indonesia managed by PT Coates Hire Indonesia.

Coates Hire has in place policies and practices which reflect its commitment to act ethically and with integrity and transparency in regards to its employment practices and to comply with applicable employment laws. These policies include the Equal Employment Opportunity Policy, the Discrimination, Harassment and Bullying Policy, Grievance Policy as well as the Employee Code of Conduct which have been developed to promote a safe and positive work environment.

Coates Hire has also implemented a whistleblower policy, which encourages the company's employees, contractors and other external parties (including suppliers) to report any concerns they have with regards to breaches of policies and/or the law in regards to modern slavery practices or otherwise. To date, no reports have been received in relation to modern slavery.

Supply Chain

Coates Hire is committed to minimising the risk of modern slavery practices in its supply chain.

The following categories of goods and services have been identified as being regularly procured by Coates Hire:

- Industrial equipment, parts and consumables
- Equipment maintenance services
- IT products and services
- Financial services
- Marketing services
- Legal services
- Business services and supplies
- Facilities management
- Labour
- Freight and logistics
- Energy
- Equipment hire

As an equipment solutions provider, Coates Hire has over 4200 suppliers. Approximately 90% 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 of labour or the appropriate regulatory mechanisms in place to police breaches of those standards.

With respect to the 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.

Moreover, 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' fail to implement processes to mitigate the risk of modern slavery practices, Coates Hire may cease dealings with the supplier if remediation actions, such as implementing appropriate policies and procedures, are not undertaken.

Effectiveness of Processes

The processes referred to above are subject to a yearly audit to assess their effectiveness and make any necessary improvements. The assessment process will commence in the next reporting period and will include an analysis of whether the current policies that Coates Hire has in place have the intended effect of encouraging high and medium risk suppliers to implement essential policies and procedures to combat modern slavery.



Responding to COVID-19

COVID-19 has had a significant impact on the world and has increased the vulnerability of workers in our operations across Australia and Indonesia and our global supply chains.

In line with Coates Hire's corporate values of One Team, Be Our Best, Customer Focussed and Care Deeply, the company 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 Coates Hire's broader response to the pandemic.

Identifying and mitigating risks in our operations during COVID-19

COVID-19 changed the way Coates Hire works and required a rapid response to ensure the company continued to keep its employees, customers and the wider communities in which it operates safe from the spread of COVID-19. The activation of Coates Hire's crisis management team and plan ensured a consistent and considered response to the pandemic across its operations with an extensive risk assessment process undertaken to identify foreseeable and potential risks and determine control measures implemented including:

- Significant investment in COVID-19 related safeguards, including PPE, masks and hand sanitisers
- Employees working in non-customer facing roles or those classified as 'vulnerable persons' transitioned to working from home
- Implementation of virtual site visits and supplier desktop audits to ensure Work Health and Safety compliance was maintained by Coates Hire branches, customers and suppliers
- Creating a 'COVID-19' communication portal for Coates Hire employees providing up-to-date information to help keep themselves, colleagues and families safe
- Supporting Coates Hire's direct suppliers including reducing payment terms to maintain

their cash flow and ensure their workers were protected against the financial, social and other impacts of the crisis.

Focusing on Preparedness:

COVID-19 has highlighted the importance of ensuring Coates Hire as an organisation is prepared for events such as a pandemic.

The company's employees, and in particular the safety team, have used the COVID-19 experience to refine Coates Hire's approach to crisis management and will continue to monitor and review its response to COVID-19 enabling the company to develop learnings into a human rights crisis response framework.

In addition, Coates Hire will also:

- 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
- Conduct annual risk assessments and audits of Coates Hire's operations, customers and suppliers

Consultation



In preparing this modern slavery statement, the manager of the PT **Coates Hire** operations has been consulted with respect to the subsidiary company's policies and practices. The PT **Coates Hire** is in the process of implementing measures to further mitigate the risks of modern slavery practices in its supply chain.

Board Approval

This statement has been approved by
the Coates Group's Board of Directors.

Murray Vitlich

A handwritten signature in black ink, appearing to read 'Murray Vitlich', with a horizontal line underneath.

Director
March 2021