



# FY21 Modern Slavery Statement

## Chairman & CEO Statement

In our second Modern Slavery Statement, in accordance with the *Modern Slavery Act 2018*, WHSP has continued to embed respect for human rights and upholding human rights principles within our operations and sphere of influence.

WHSP is committed to zero tolerance for human rights violations, including modern slavery and labour rights violations, and to supporting the rights of victims and survivors.

In the first reporting period, WHSP undertook activities to form a foundational understanding of our key operational and supply chain modern slavery risks. This included conducting tier one supplier risk assessments, and operational risk assessments for WHSP and its three wholly owned subsidiaries. This year, in the second year of reporting under the legislation, WHSP has built on the work from year one, focussing on areas identified as higher risk, as well as expanding its review of operational risk management in assets that it holds. Key actions from this reporting period include:

- **Deeper focus and engagement with investments in the agricultural sector**, a known higher risk industry in Australia. WHSP holds agriculture assets on its balance sheet through a trust structure. These assets are managed by an external specialist operator. WHSP continues to engage with the manager of these investments, supporting their initiatives to improve their approach to on-farm grievance mechanisms, conduct farm-level supplier risk assessments, and create a dedicated role to manage Environmental, Social and Governance (ESG) risks across their farms.
- **Improved operational risk management** through revisions to our employee [Code of Conduct](#). This Code as well as our [Whistleblower Policy](#) and [Sustainable Investment Policy](#), are all aligned with international best practice frameworks such as the UN Guiding Principles on Business and Human Rights. These documents complement our existing [Human Rights Policy](#), providing a strong foundation for managing modern slavery risks in WHSP's operations.
- **Improving the supplier procurement system and supplier onboarding process**. This included embedding supplier industry categories into WHSP's procurement system to have better oversight of the industry makeup of suppliers and enable easier risk assessments in future years. It also included creating a supplier onboarding checklist covering both modern slavery and general ESG issues. This will allow for enhanced oversight and monitoring of WHSP's supply chain, giving us the ability to improve engagement with suppliers in future years.
- **Engagement with known higher risk suppliers** to drive awareness and action on modern slavery. WHSP sent a detailed questionnaire to suppliers identified as higher risk from the FY20 supplier risk assessment and analysed responses. In FY21 WHSP also sought to include a modern slavery and human rights clause in all new material supplier contracts to seek a positive statement that they comply with modern slavery legislation.
- **Internal training on human rights and modern slavery**. The first iteration of the training is to be delivered to the management team in early FY22, with future training planned for all WHSP's staff.

We believe that our actions in FY21 were proactive and proportionate to the operational and supply chain modern slavery risks identified in FY20. We are committed to looking for ways to improve our own understanding of and controls for identifying and managing potential risks, as well as reviewing our approach and assessing the effectiveness of our efforts to date. We acknowledge that this will result in ongoing progress in future years. Our planned activities for future years include:

- Identifying effectiveness measures for our modern slavery actions. For example, following up with suppliers who we have engaged with previously about modern slavery (through the questionnaire or contract provisions), to see what actions they have taken to address risks and understand what other leverage points we have.
- Further investigating risks in the agricultural supply chain, including assessing effectiveness of recently created grievance mechanisms.
- Training to ensure the relevant policies are understood by staff, particularly the [Whistleblower Policy](#) and the [Code of Conduct](#).
- Expanding modern slavery training to all staff.
- Ongoing monitoring of our Tier 1 suppliers and going beyond Tier 1. We plan to conduct a Tier 1 supplier risk assessment every three years, or more regularly if there is a material change in suppliers (more than 10% difference from previous year). We also plan to go beyond Tier 1 of our supply chain, to investigate the operations and supply chain of our material direct suppliers.
- Creating an internal roadmap as part of our ESG strategy that outlines our future actions and when these will be achieved.

## COVID-19

COVID-19 continues to have a significant impact on businesses, their activities and global supply chain network. We acknowledge the changing landscape in response to the “new normal” that continues to create pressures in the market which has increased the risk of modern slavery for people who are already vulnerable to exploitation. While all our direct suppliers are based in Australia, in FY21 we have embedded supplier categories into our procurement system so we are better able to understand which suppliers are providing high risk products and respond when there are reported instances of modern slavery overseas.

## Governance

The Board is responsible for approving material investment decisions and considers ESG issues, including human rights, in relation to new and existing investments on an ongoing basis. These are outlined in our [Sustainable Investment Policy](#) with similar principles found in our [Human Rights Policy](#). It is a requirement of every new investment proposal to specifically assess ESG risks and opportunities, including human rights. The WHSP management team are responsible for monitoring modern slavery risk in our investments and supply chain as well as reporting to the Board on issues affecting the sustainability of investments and the management of modern slavery risk in our supply chain.

WHSP has clear expectations regarding how we engage with investee companies on ESG issues, but it does not impose or mandate ESG-specific requirements on the investee companies. Responsibility for these activities and associated policies and procedures lies with the respective entities and their Boards. Quarterly reporting to WHSP's Board Risk Committee includes reporting on ESG risks.

## Criteria 1: Identify the reporting entity

This is a joint modern slavery statement under section 14 of the *Modern Slavery Act 2018* (Cth) (“the Act”) for the reporting period 1 August 2020 to 31 July 2021.

This joint statement covers the following entities:

- Washington H. Soul Pattinson and Company Limited (WHSP) (ACN: 000 002 728)
- Pitt Capital Partners (ACN: 000 651 427)

The above entities will be herein referred to as the “WHSP Group” and references to “we”, “us” and “our” are inclusive of the same. WHSP is the parent entity. Pitt Capital Partners is a wholly owned subsidiary and is part of the WHSP’s direct operations as an investment house.

Addendums to this joint statement include the following wholly owned entities whose operations are not part of the operations of the WHSP Group:

- Aquatic Achievers (ACN: 623 260 033)
- Round Oak Minerals (ACN: 130 641 691)

WHSP has a significant shareholding in the following companies. They are separately listed companies whose Boards are accountable to their shareholders.

They are not included in this joint statement and will individually report their own Modern Slavery Statements:

- TPG (ACN: 096 304 620)
- Brickworks (ACN: 000 028 526)
- New Hope Group (ACN: 010 653 844)

It should also be noted that during the financial year ending 31 July 2021, WHSP entered into a Scheme Implementation Agreement with Milton Corporation Limited (Milton), under which it was proposed that WHSP would acquire 100% of the share capital of Milton. On 5 October 2021, the scheme of arrangement was implemented, and Milton shareholders were issued WHSP shares. Milton’s assets were predominantly ASX listed securities. The FY22 Modern Slavery Statement will be the first report on the merged entity. The Managing Director’s presentation at WHSP’s Annual General Meeting in December 2021 outlines the integration plan following the merger and is available on WHSP’s website.

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## Criteria 2: Describe the reporting entity’s structure, operations and supply chains as at 31 July 2021

### WHSP and Pitt Capital Partners (“WHSP”)

WHSP is an Australian public company listed on the Australian Stock Exchange (ASX:SOL). WHSP is an investment holding company with investments in a diverse portfolio of assets across a range of industries, including natural resources, building materials, telecommunications, retail, pharmaceuticals, financial services and real estate. Over 80% of the net asset value of WHSP’s portfolio is in listed securities, therefore WHSP has limited control over the direct operations of its investee companies. However, we are disciplined in assessing risks and taking steps to mitigate risks that we identify. WHSP has clear expectations regarding how it engages with its investee companies on ESG issues, but it does not impose or mandate ESG-specific requirements on investee companies. Responsibility for these activities and associated policies and procedures lies with the respective entities and their Boards. See criteria 4 of this statement for more details, which also references our [Sustainable Investment Policy](#).

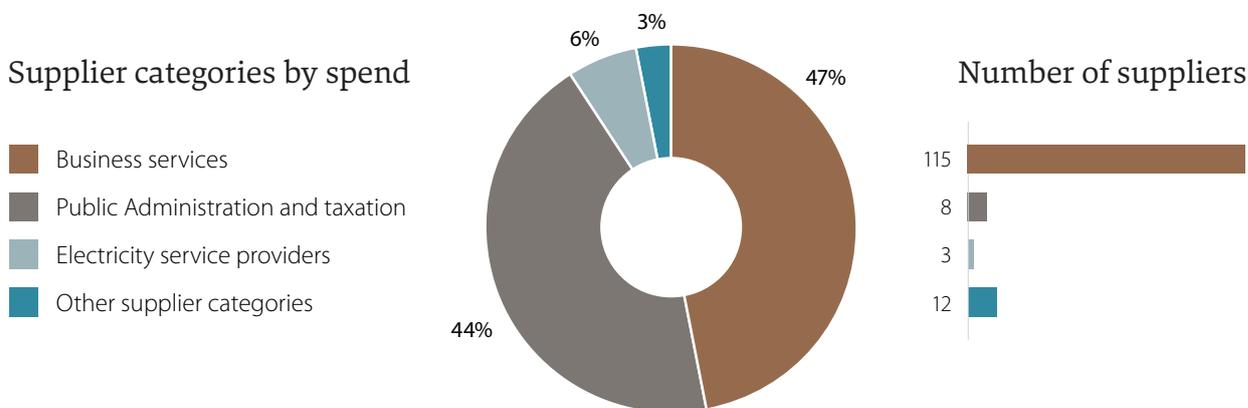


Pitt Capital Partners (PCP) is a wholly owned subsidiary of WHSP that looks to partner with promising companies where they can see a pathway to long term shareholder wealth creation. Through the provision of capital, ideas and advice, PCP focus on the quality of the business and management team, as opposed to a particular sector or thematic area.

WHSP Group is headquartered in Sydney, Australia and our operations include 28 employees.

WHSP Group's tier one supply chain comprises approximately 140 suppliers across 10 industry categories. Eighty-two percent of WHSP's suppliers are business service suppliers and these suppliers receive 47% of our supplier spend.\* Our top categories by spend include:

- Business services, including professional service providers, consumables, IT and electronics
- Public Administration and taxation
- Electricity service providers



\* Based on WHSP's tier one supplier assessment conducted in FY20. WHSP's suppliers for the FY21 reporting period were not materially different to the suppliers in the FY20 period.

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### Criteria 3:

## Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls

### How we think about modern slavery

We recognise that modern slavery takes many forms and the term “modern slavery” itself covers a wide range of practices that use threats, coercion, deception, violence or abuses of power to deprive people of their liberty and perpetuate labour violations. Modern slavery can take on many forms from debt bondage, through to forced marriage, forced labour and human trafficking.

We acknowledge that no entity is immune to modern slavery risks. Modern slavery is a global problem and is illegal in Australia and many other countries.

In line with the UN Guiding Principles, WHSP has used the concepts of cause, contribute and directly linked in assessing our risk and influence in modern slavery practices. We have taken into careful consideration each of these concepts and recognise that many modern slavery practices remain hidden and require a holistic consideration of economic, social and environmental factors that may contribute to exploitation.

- **Cause**

A company may directly cause instances of modern slavery if in its operations it uses modern slavery practices. An example would be to force employees to work unpaid hours to repay a fictitious debt.

- **Contribute**

A company may contribute to modern slavery if through actions or omissions it influences, incentivises or creates an environment in its operations or supply chains, that contributes to modern slavery. An example would be to place pressure on an investment company to achieve a return only possible if they used exploited labour.

- **Directly Linked**

A company’s operations may be directly linked to modern slavery through the activities of another entity it has a business relationship with such as an investment, joint venture partner or supplier. An example would be a joint venture partner using child labour in its operations to achieve high profits.

### Operations

We have assessed our direct operations as having a low risk of modern slavery due to the nature of the work, size of our operation, geographical location and internal policies and grievance mechanisms as outlined below. Despite this, we acknowledge that the risk of modern slavery is still present, and the two areas we believe have relatively higher risks are **workplace health and safety** and **labour contracting** (cleaning, security and building maintenance).

Given the nature of our work, we require highly skilled employees often with professional or tertiary education which lowers the risk of modern slavery. We ensure all our employees have contracts in place and have a number of policies including an employee [Code of Conduct](#) to protect their rights and interests in the workplace. Furthermore we have a [Whistleblower Policy](#) to call out any suspected contraventions of our employee’s rights, and a [Diversity Policy](#) to ensure all current and prospective employees have equal access to opportunities.

Our operations are based solely in Australia, which has an inherently lower risk of modern slavery compared to other countries. The Global Slavery Index has however identified that the prevalence of modern slavery in developed countries like Australia is higher than previously understood. We understand that modern slavery still occurs in Australia with the Global Slavery Index 2018 estimating that 15,000 people in Australia were living in conditions of modern slavery.<sup>1</sup>

<sup>1</sup> Australia | Global Slavery Index

## Supply Chain

WHSP Group's tier one supply chain comprises approximately 140 suppliers across 10 industry categories. All our tier one suppliers are Australia based. As outlined below, the three product categories that we have identified as highest risks for WHSP's supply chain are **electronic goods, branded garments and uniforms** and **labour contracting** (cleaning, security and building maintenance).

To identify risks in our supply chain, the WHSP Group conducts ongoing monitoring of our supply chain with reviews of our high risk and new suppliers each year. We plan to conduct a tier one supplier risk assessment every three years, or more regularly if there is a material change in suppliers (more than 10% difference from previous year). Our suppliers for the FY21 reporting period were not materially different to the suppliers in the FY20 period, so we have used the same analysis conducted in the FY20 reporting period. As is outlined under criteria 4, our actions for FY21 focussed on engaging with known higher risk suppliers and improving our supplier procurement system and supplier onboarding process.

Our supplier risk assessment enables the identification and categorisation of our tier one supplier risks based on three metrics: country, product/service category and dependency risk. Suppliers were allocated categories and assessed based on a range of industry-specific human rights and modern slavery risks obtained from various reputable sources, including a data-driven risk assessment tool. This enables us to understand and gain visibility of suppliers that are a higher risk for modern slavery and human rights issues.

Separate risk assessments were conducted for WHSP and Pitt Capital, Round Oak and Aquatic Achievers using accounts payable data from the year ending 31 July 2020. The results of the Round Oak and Aquatic Achievers assessments can be found in the addendums.

## Geography

As this was a tier one exercise with all suppliers located within Australia, the country risk results were limited. Further insight will be gained by deeper analysis beyond tier one as WHSP develops its approach to assessing and managing Modern Slavery risk.

We note that many Australian supply chains are closely linked with countries and businesses in the Asia-Pacific region where products can be at high risk of being produced by forced labour and other forms of modern slavery. We are yet to conduct an assessment into modern slavery risks in the Asia-Pacific Region where some of our tier two suppliers and beyond may be located.

## Category

We identified that the following categories of business services suppliers are higher risk:

- Electronic goods
- Branded garments and uniforms
- Labour contracting (cleaning, security and building maintenance)

These categories were identified to be higher risk based on the following risk indicators that are taken into account for the risk assessment for each category in a specific country:

- Wage assessments
- Poverty
- Child labour
- Forced labour
- Excessive working time
- Freedom of Association, Collective Bargaining, Right to Strike
- Migrant labour
- Social benefits
- Labour laws and conventions
- Discrimination and equal opportunity
- Unemployment

## Electronic Goods and IT Equipment

WHSP procures electronic goods and IT equipment in the form of mobile phones, computers, printers, lights, and other office equipment. We acknowledge that the electronics and ICT sectors are widely recognised as high risk for forced labour and other forms of modern slavery. The production of electronic equipment and their component parts takes place predominantly in Asia and Southeast Asia where the US Department of Labour has noted electronics may be produced using forced labour.<sup>2</sup>

Workers in the manufacturing part of the supply chain are often migrants and are particularly exposed to exploitation. The sourcing of raw materials and commodities at the 'bottom' of the supply chain also carries high risk for human rights abuses. Furthermore, we understand that commodities used in the production of electronic equipment (i.e. tungsten, tin, coltan, cobalt and gold) can also be extracted through the use of forced labour in parts of Central Africa.

<sup>2</sup> The US Department of Labour, <https://www.dol.gov/sites/dolgov/files/ILAB/ListofGoods.pdf>

## Labour Contracts with Business Services

WHSP procures cleaning, security and maintenance services, which have been recognised as key risk areas for modern slavery in Australia by the Department of Home Affairs. This industry is categorised by people employed in low-wage jobs that are often 'invisible' as their services tend to take place outside of normal business hours. The Australian industry has been categorised by deceptive recruitment, debt bondage and substandard working conditions that have in some instances amounted to modern slavery. There are risks that investors and asset owners can inadvertently support unlawful and exploitative labour practices through the provision of these services.

### Dependency

Dependency risk is the proportion of spending on a given supplier over the total spending. This helps us to gain visibility over our exposure to our supplier and category risk but also where we have the most sphere of influence and may be unknowingly contributing to modern slavery practices. We recognise that our spend dependency does not necessarily correlate to the revenue dependency of our suppliers. We understand that our influence will be greater for suppliers that have a high revenue dependency on our business.

Our top categories by spend include:

- Business services, including professional service providers, consumables, IT and electronics
- Public Administration and taxation
- Electricity service providers

### Investments

WHSP integrates the consideration of ESG factors, including human rights and modern slavery, in our investment decision making and ongoing portfolio management processes. This includes engagement with our investee companies where we seek to incorporate respect for human rights and demonstrate a commitment to fundamental principles of human rights through our various engagement avenues. WHSP is committed to ongoing two-way engagement with its investee companies and is committed to driving ongoing improvements in modern slavery awareness and action.

By way of example, we identified our agricultural portfolio as potentially higher risk for human rights and modern slavery. As a result, we conducted a deep dive risk assessment into the policies and practices used by the third party manager of our agricultural portfolio as well as the supply chain of our asset manager. See detail in criteria 4 for specific actions with policies and WHSP's agriculture investments.

We monitor the performance of our investments and identify risks, including non-financial risks, that should be addressed. Actions to address matters identified are agreed with the operators of wholly owned investments and progress on these actions are monitored. More information on our approach to sustainable investing can be found in our [Sustainable Investment Policy](#).

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## Criteria 4:

### 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

For the purposes of compliance with the Act WHSP's obligations fall under several categories, including its direct operations and controlled entities.

A number of activities were undertaken during the year to help inform WHSP's understanding of the human rights and modern slavery issues and risks that are relevant to our business operations, supply chain and investments. In the first reporting period, WHSP undertook activities to form a foundational understanding of our key operational and supply chain modern slavery risks. Through the support of an external consultant, this included conducting tier one supplier risk assessments, and operational risk assessments for WHSP and its three reporting subsidiaries. This year, in the second year of reporting under the legislation, WHSP has built on the work from year one, focussing on areas identified as higher risk, as well as enhancing operational risk management.

#### Operational Risk Assessment and Actions

WHSP Group is committed to respecting the human rights of our employees through our internal employment policies and practices, such as our [Diversity Policy](#), [Code of Conduct](#) and [Whistleblower Policy](#). The promotion of fair work, equity, diversity and inclusivity are key components of our corporate culture, and we aim to ensure all our employees work in a safe and professional work environment.

As identified in FY20, the key human rights risks relevant to our operations are workplace health and safety and labour contracting (cleaning, security and building maintenance).

#### Actions in FY21

- **Review of policies.** In FY21, we have improved our approach to operational risk management through a revised employee [Code of Conduct](#). This Code as well as our [Whistleblower Policy](#) and [Sustainable Investment Policy](#), are aligned with international best practice frameworks such as the UN Guiding Principles on Business and Human Rights. These documents complement our [Human Rights Policy](#), providing a solid base for managing modern slavery risks in WHSP's operations.
- **Internal training on human rights and modern slavery.** The first iteration of the training is to be delivered to the management team, with future training planned for all of WHSP's staff. There is an improved awareness of modern slavery and other ESG risks within WHSP. In future years, surveys are to be conducted to tangibly measure this improved awareness, particularly before and after training.

While WHSP recognises that it is the responsibility of each investee company and supplier to define their own policies and approach to the issue of human rights, we believe that our relationships and role as active owners, provide an opportunity to advance the corporate responsibility to respect human rights. WHSP supports the fundamental principles of human rights across our business, investment portfolio and supply chain. WHSP's respect for the protection and preservation of human rights is guided by the principles outlined in the internationally recognised standards and frameworks:

- International Bill of Human Rights;
- International Labour Organisation's Declaration on Fundamental Principles and Rights at Work;
- United Nations Guiding Principles on Business and Human Rights (UNGPs); and
- Other applicable local and international laws.

## Supply Chain Risk Assessment and Actions

WHSP Group expects our suppliers to respect human rights in their own operations and related supply chains. We encourage our suppliers to undertake human rights due diligence and adopt similar principles with their own key suppliers.

As outlined under criteria 3 in this statement, in FY20 a tier one supplier risk assessment was conducted. Given there was no substantial difference in suppliers from FY20 to FY21, efforts in FY21 were focussed on engaging with known higher risk suppliers to improve their approach to modern slavery, as well as improving WHSP's own internal systems for supplier management.

### Actions in FY21

- **Improving the supplier procurement system and supplier onboarding process.** This included embedding supplier industry categories into WHSP's procurement system to have better oversight of the industry makeup of suppliers and enable easier risk assessments in future years. It also included creating a supplier onboarding checklist covering both modern slavery and ESG issues. This will allow for enhanced oversight and monitoring of WHSP's supply chain.
- **Engagement with known higher risk suppliers to drive awareness and action on modern slavery.** This involved sending a detailed questionnaire to suppliers identified as higher risk from the FY20 supplier risk assessment and analysing responses. Half of WHSP's suppliers responded to the questionnaire, despite repeated follow up emails to those who didn't respond. WHSP will continue to drive engagement in future years.

WHSP now seeks to include clauses seeking assurance that suppliers comply with modern slavery legislation in new material contracts.

## Investment Risk Assessment and Actions

We monitor the performance of our investments and identify risks, including non-financial risks, that should be addressed. As an active manager we engage with investee company management teams where we identify risks that should be addressed.

WHSP integrates the consideration of ESG factors, including human rights, in our investment decision making and ongoing portfolio management processes.

### Actions in FY21

- **Deeper focus and engagement with investments in the agricultural sector,** a known higher risk industry in Australia. WHSP Group continues to engage with the manager of these investments, supporting their initiatives to improve their approach to on-farm grievance mechanisms, conduct farm-level supplier risk assessments, and create a dedicated role to manage Environmental, Social and Governance (ESG) risks across their farms.
- **Active engagement and consultation with other investments/investee companies.** WHSP Group is committed to continuing and expanding our collaborative engagements with investee companies on modern slavery in future years, for example through our pre investment due diligence and our meetings with management. WHSP Group encourages our investee companies who are not already subject to the requirements under the *Modern Slavery Act 2018* (Cth) to consider their approach to meeting the principles articulated in the legislation.

## Reporting Grievances

WHSP is committed to promoting a culture of corporate compliance and high ethical behaviour.

Through our [Whistleblower Policy](#), we encourage employees, suppliers, contractors, associates, both current and former, as well as their dependents and spouses, to report improper conduct.

To protect the anonymity of the person who may decide to make a disclosure, we offer an anonymous telephone hotline and online portal run externally and independently by our whistleblowing service provider, Your Call. WHSP offers protection and support to people who have made a disclosure, with a commitment of protection from detrimental conduct to whistle blowers.

Further details are provided in our [Whistleblower Policy](#).

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## Criteria 5:

### Describe how the reporting entity assesses the effectiveness of these actions

We are committed to assessing the effectiveness of our measures taken to date and seeking out ways in which we can improve on our modern slavery response. We recognise these steps as important actions to take to ensure continuous improvement and have a meaningful impact on reducing the risk of modern slavery in our operations, supply chains and investments.

We acknowledge that reviewing the effectiveness of our actions is difficult given the complexities and hidden nature of modern slavery. Many measurement approaches, for example the number of employees who have undertaken modern slavery training, provide an indirect measure of the effectiveness of combating modern slavery in our operations and modern slavery can still persist notwithstanding strong quantitative data used to measure effectiveness.

Therefore we recognise the importance of being adaptable to change our systems, processes and measurement tools in line with leading industry knowledge as thinking around approaching this complex problem develops over time.

Below is a list of our current internal processes and procedures designed to mitigate the risks of modern slavery and understand the effectiveness of our actions. These include, but are not limited to the following:

- Review our internal policies and procedures including but not limited to our: [Human Rights Policy](#), [Whistleblower Policy](#), [Sustainable Investment Policy](#), and [Anti Bribery and Corruption Policy](#). These reviews are necessary to ensure these documents remain relevant and continue to be effective in preventing human rights abuses within our operations.
- Pre investment approval due diligence, including consideration of human rights among other ESG issues. While this has historically been one of many aspects considered as part of the investment due diligence process, our increased focus on modern slavery is making this a more explicit component of our due diligence.
- Quarterly risk reporting to the Board Risk Committee to monitor the extent to which material risks are within the Board's approved Risk Appetite Statement.
- Board updates on progress with respect to the assessment of modern slavery risks.
- Board updates on instances of non-compliance with policies and incidents raised through internal mechanisms or the whistleblower hotline.
- Clauses in our material supplier contracts about human rights and modern slavery, as well as a supplier onboarding questionnaire.

In future reporting periods we hope to improve our approach to measuring the effectiveness of our modern slavery actions. For example, following up with suppliers who we have engaged with previously about modern slavery (through the questionnaire or through clauses in supplier contracts), to see what actions they have taken to address risks and understand what other leverage points we have.

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## Criteria 6: Describe the process of consultation with any entities the reporting entity owns or controls

WHSP recognises that its wholly owned entities operate in a variety of industries, with each requiring varying levels of engagement and consultation. As part of the consultation process, WHSP engaged with each wholly owned entity outlining its commitment to respecting human rights and its expectations for compliance with the Act.

In the process of conducting the operational and supplier risk assessment activities, WHSP consulted with Pitt Capital Partners, Round Oak and Aquatic Achievers to obtain policies, procedures and accounts payable data. The results of the analysis were also shared with the respective management teams for review and comments. The targeted consultation ensured that risks specific to each reporting entity were identified and enabled the development of tailored recommendations and actions for later reporting periods.

In the process of developing this statement, WHSP made the Statement available to Round Oak, Aquatic Achievers and Pitt Capital Partners for review and comment.

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## Criteria 7: Provide any other relevant information

In line with our efforts to ensure continuous improvement, for the FY22 reporting period we will look to build on our response as set out in this statement.

The Australian Council of Superannuation Investors (ACSI) is an industry body that provides a strong voice on financially material environmental, social and governance (ESG) issues. WHSP has engaged with ACSI and has considered ACSI's recommendations for improving modern slavery risk reporting. WHSP is open to engaging with other industry bodies and civil society organisations to address modern slavery in Australia or overseas.

**This Statement is authorised by the WHSP Board.**



Robert Millner  
*Chairman*

26 January 2022

# Addendums

The purpose of these Addendums is to expand upon WHSP's statement and provide further insight into Aquatic Achievers and Round Oak's operations and supply chain.

These Addendums should be read in conjunction with the WHSP statement.

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## Addendum 1



# Aquatic Achievers

### Criteria 1 & Criteria 2:

### Identify the reporting entity and describe the reporting entity's structure, operations and supply chains

Aquatic Achievers is a premium operator of swim centres across Queensland, New South Wales, Victoria and the Australian Capital Territory. Aquatic Achievers operates ten swim centres across QLD (7), NSW (1), VIC (1) and ACT (1), eight of which are purpose built, delivering over 14,000 swim lessons a week to children between three months and 10 years. Aquatic Achievers has an experienced management team along with considerable depth across all aspects of the business with strong developed infrastructure, systems and processes.

Number of employees: 320

Aquatic Achiever's direct supply chain comprises approximately 220 suppliers across 16 industry categories. All Tier 1 suppliers are Australia based.

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### Criteria 3:

### Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls

Aquatic Achievers recognises that modern slavery takes many forms and the term "modern slavery" itself covers a wide a range of practices that use threats, coercion, deception, violence or abuses of power to deprive people of their liberty and perpetuate labour violations. Modern slavery can take on many forms from debt bondage, through to forced marriage, forced labour and human trafficking.

We have used the concepts of cause, contribute and directly linked in assessing our risk and influence of modern slavery practices. Please refer to the discussion in the WHSP modern slavery statement for further discussion on understanding modern slavery.

As is the case for all businesses, we recognise that there are modern slavery risks in our operations and supply chains.

### Operations

Our operations exist exclusively within Australia, which while not immune from modern slavery, has an inherently lower risk of modern slavery compared to other countries.

Our employees are hired through internal recruitment processes. This reduces the risk of modern slavery occurring within our internal operations as we have direct communication, knowledge, and information about our employees.

The risk of modern slavery for Aquatic Achievers is more likely to exist within our supply chains than in our operations. Notwithstanding this, we have put in place a number of measures to safeguard against the risk of modern slavery in our operations as outlined in criteria 4.

## Supply Chains

As all of our tier one suppliers are based in Australia, there is a lower risk that these suppliers are directly causing modern slavery practices. We recognise that this does not mean our suppliers are not contributing to or are directly linked to modern slavery.

To identify risks in our supply chain, WHSP Group conducts ongoing monitoring of our supply chain with reviews of our suppliers each year. We plan to reconduct a tier one supplier risk assessment every two years, or more regularly if there is a material change in suppliers (more than 10% difference from previous year). Our suppliers for the FY21 reporting period were not materially different to the suppliers in FY20 period, so will be using the same analysis conducted in the initial reporting period.

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### Criteria 4:

**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 process**

#### Operational Risk Assessment

We have assessed our internal operations as having a low risk of modern slavery due to the nature of our work, geographical location and internal policies and grievance mechanisms as outlined below.

We regularly update our [Code of Conduct Policy](#) and [Equality Opportunity & Discrimination Policy](#) to ensure our employees are treated fairly and with respect.

Relevant human rights risks specific to Aquatic Achievers' industry:

- Child safety
- Child labour
- Workplace health and safety
- Discrimination
- Labour contracting (cleaning, maintenance and security)

Aquatic Achievers is currently undergoing a process to achieve the Safeguarding Children Accreditation. Once accredited, Aquatic Achievers will have access to child protection policies and procedures, as well as a suite of protocols and a management system to promote the safe recruitment and supervision of staff.

#### Supply Chain Risk Assessment

Our supplier risk assessment enables the identification and categorisation of our tier one suppliers risks based on three metrics: country, product/service category and dependency risk. Suppliers were allocated categories and assessed based on a range of industry-specific human rights and modern slavery risks obtained from various reputable sources, including a data-driven risk assessment tool. This enables us to understand and gain visibility of suppliers that are a higher risk for modern slavery and human rights issues. For FY21, we reviewed our supplier list to ensure no material changes were apparent from when we conducted our initial assessment in FY20.

No supplier category scored in the high or very high-risk range, but many scored in the medium risk range. The three categories with the joint highest risk score were chemical, rubber and plastic products (10 suppliers), wearing apparel (7 suppliers) and labour contractors within business services (6 suppliers).

In response to the results of our supplier risk assessment, in FY21 WHSP supported Aquatic Achievers to engage with their known higher risk suppliers. This involved sending a detailed questionnaire to suppliers identified as higher risk from the FY20 supplier risk assessment and analysing responses. For Aquatic Achievers, less than half of its suppliers responded, despite several follow up emails. Many of the suppliers who failed to respond to the questionnaire sent

in FY21 were local small businesses, so part of their efforts in FY22 will be to identify ways of engaging with these suppliers to identify controls and due diligence processes that are proportionate to their business.

## Reporting Grievances

Aquatic Achievers is committed to promoting a culture of corporate compliance and highly ethical behaviour. Through our [Whistleblower Policy](#), we encourage employees, both current and former, as well as various external stakeholders, to report improper conduct either through internal mechanisms or through the anonymous, external and independently run whistleblowing service provider, Your Call. Details are provided in the [Whistleblower Policy](#).

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### Criteria 5 & 6:

Describe how the reporting entity assesses the effectiveness of these actions and the process of consultation with any entities the reporting entity owns or controls

Refer to the actions undertaken by WHSP, which also include consideration of Aquatic Achievers.

**This statement is authorised by the General Manager.**



Rob Macfarlane  
*General Manager*

26 January 2022

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# Round Oak Minerals

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## Criteria 1: Identify the reporting entity

Round Oak Minerals Pty Limited (Round Oak) produces base and precious metals from its Australian operations. As stated under Criteria Two of WHSP's above MSA statement, Round Oak is a 100% owned subsidiary of WHSP.

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## Criteria 2: Describe the reporting entity's structure, operations and supply chains

Over recent years Round Oak has undergone significant growth, with the acquisition of mines expanding the businesses resource portfolio that includes zinc, copper and gold assets. Round Oak currently operates in north-west Queensland (an underground mine copper) and the northern goldfields region of Western Australia (underground zinc and copper mine). Round Oak also has an advanced underground copper-zinc project in north-eastern Victoria as well as significant exploration holdings adjacent to existing projects and operations.

Number of employees: 241 FTE with an additional monthly average of 172 contracted workers

Round Oak's direct supply chain for the period consists of 1,012 suppliers in 26 industry categories. All Tier 1 suppliers are Australia based, itself a jurisdiction with low levels of vulnerability to modern slavery and a strong government response. As a result, geographical risk results are somewhat limited and further insight will be gained by deeper analysis beyond Tier 1 and through subsequent annual statements.

Round Oak's top categories by spend include:

- Business services, including professional service providers, administration, IT and logistics
- Chemical, rubber, plastic products
- Construction
- Machinery and equipment
- Manufacturers
- Petroleum, coal products

All of Round Oak's industry categories are low to medium risk, and the top categories by risk are:

- Machinery and equipment (17% of spend)
- Labour Contractors within Business Services (9%)
- Chemical, rubber, plastic products (6%)
- Metal products (1%)

### Criteria 3:

## Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls

As is the case for all businesses, Round Oak recognises that there are modern slavery risks in its operations and supply chains. Modern slavery exists at the extreme end of a spectrum of labour exploitation and human rights abuse. Round Oak operates solely in Australia, which has an inherently lower risk of modern slavery compared to other countries. However, there are still modern slavery and human rights risks across a range of sectors in Australia.

Australian supply chains are closely linked with countries and businesses in the Asia-Pacific region where many products are at high risk of being produced by forced labour and other forms of modern slavery. Round Oak could be linked to modern slavery risks through its supply chain, including through the procurement of electronics and ICT equipment, as well as through the procurement of Machinery, Metal, and Chemical, rubber and plastic products.

It is acknowledged that whilst Business Services is categorised as low risk, research has shown that there a number of labour contractors within this category which are themselves at a higher risk of modern slavery (due to a higher proportion of migrant labour with potentially less formalised employment contracts).

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### Criteria 4:

## 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

### Risk identification

A number of activities from the previous year were continued during this period to help inform Round Oak's understanding of the human rights and modern slavery issues and risks. Round Oak has undertaken a high-level operational risk assessment to identify potential human rights risks in its operations, and a supplier risk assessment to identify and understand where the risks of modern slavery lie in its supply chains. High level results from these assessments are given below.

### Operational Risk Assessment

#### Round Oak

Relevant human rights risks specific to Round Oak's industry:

- Indigenous people's rights
- Cultural heritage
- Workplace health and safety
- Environmental impacts
- Land acquisition
- Labour contracting (cleaning, security, construction and maintenance services)
- Branded garments, uniforms and PPE
- Economic and social disruption of local communities

## Supply Chain Risk Assessment

### Round Oak

No supplier category scored in the high or very high-risk range, but many scored in the medium risk range. The six categories with the joint highest risk score were Machinery and equipment (111 suppliers), Electronic equipment (24 suppliers), Chemical, rubber, plastic products (22 suppliers), Metal Products (13 suppliers), Wearing apparel (1 supplier) and Labour contractors within Business Services (11 suppliers).

## Mitigating and responding to the risks of Modern Slavery

### Round Oak

Round Oak has undertaken to strengthen its procurement practices relative to MSA through:

- The introduction of Felix, a cloud-based Vendor Management system. Round Oak has developed a bespoke Supplier prequalification process, with specific, assessed queries and metrics relative to Modern Slavery (as well as other areas of risk to the organisation)
- The prequalification process provides a channel of communication for Round Oak to interrogate the existing (and potential) supply chain to determine MSA-related compliance
- The ongoing development of policies and procedures that specifically acknowledge human rights and are aligned with internationally recognised human rights instruments
- The ongoing delivery of group-wide awareness training and presentation to employees. This period has seen the delivery of such training to key procurement teams at each Site, as well as to the corporate team
- Review of the results from the Tier 1 risk assessment and the continued development of the material necessary for the Tier 2 risk assessment

## Reporting Grievances

### Round Oak

Round Oak is committed to promoting a culture of corporate compliance and highly ethical behaviour. Through our [Whistleblower Policy](#), we encourage employees, both current and former, as well as various external stakeholders, to report improper conduct either through internal mechanisms or through the anonymous, external and independently run whistleblowing service provider, Your Call. Details are provided in the [Whistleblower Policy](#).

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## Criteria 5 & 6:

Describe how the reporting entity assesses the effectiveness of these actions and the process of consultation with any entities the reporting entity owns or controls

Refer to the actions undertaken by WHSP, which also include consideration of Round Oak Minerals.

**This statement is authorised by the CEO.**



Rob Cooper  
CEO