

## MODERN SLAVERY STATEMENT

### COATES GROUP HOLDINGS PTY LIMITED ACN 126 069 341

#### Introduction

Coates Group Holdings Pty Limited (**Coates Group**) has a vision to be the market leader in safe, smart and sustainable equipment solutions, and is committed to the eradication of all forms of Modern Slavery from its operations and supply chains. This is embodied in Coates Group's values to Care Deeply, Be our Best, be Customer Focused and One Team, which guide the way the Coates Group works, how and which suppliers are engaged and ultimately deliver the best possible customer experience.

Coates Group's policies, procedures, documentation, and risk-based monitoring practices are meticulously designed with a core focus on the safety, wellbeing, and dignity of our people, customers, and communities. We are committed to fostering a culture of responsibility and transparency, ensuring that our operations not only comply with the highest standards of ethical practice but also contribute positively to the environments in which we operate. Through continuous improvement processes, we consistently strive to enhance the effectiveness of these frameworks, creating safer, more sustainable outcomes for all stakeholders involved.

#### Structure, operations and supply chains

In accordance with Mandatory Criteria One and Two of the *Modern Slavery Act 2018* (Cth) ("Modern Slavery Act"), this section provides a comprehensive overview of the reporting entity. It includes a clear identification of the entity, a detailed description of its organisational structure and operations, and an in-depth outline of its supply chain. This information is essential to ensure transparency and accountability in line with the Modern Slavery Act's requirements, helping to provide a clearer understanding of the business's activities and the potential risks of modern slavery within its operations and supply network.

#### Reporting entity

This statement is made in accordance with Section 13 of the Modern Slavery Act, covering the operations and supply chains of the subsidiaries of the reporting entity, Coates Group Holdings Pty Limited (ACN 126 069 341), for the period from 1 July 2023 to 30 June 2024.

#### Structure

The Coates Group is a wholly owned subsidiary of Seven Group Holdings Limited ACN 142 003 469 (**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. Coates Group's subsidiary, Coates Hire Operations Pty Limited (**Coates**), is Australia's leading equipment hire and solutions provider, operating across a range of markets including engineering, mining and resources, infrastructure, manufacturing, construction, agriculture, and major events.

Coates Group provides equipment hire solutions and 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.

#### Operations

Coates Group has operations across around 145 branches in Australia. For over 138 years, the Coates Group has provided Australia's largest fleet of smart, sustainable rental equipment, with approximately 2,000 highly skilled employees who also support end-to-end Industrial and Engineering Solutions for its 19,000 customers who are building Australia. Services include:

- Temporary works
- Traffic management
- Water management
- Industrial shutdowns
- Maintenance
- Training services and events

### **Coates' Supply Chain**

Coates Group is deeply committed to minimising the risk of modern slavery practices within its supply chain and ensuring full compliance with the Modern Slavery Act. We strive to maintain a supply chain that upholds the highest ethical standards, fostering transparency and accountability at every level. Coates Group's procurement primarily involves low-risk, tier-one suppliers, who provide a diverse range of products and services across various sectors. With few exceptions, our suppliers are based in Australia, ensuring that the majority of our sourcing is from trusted local partners. These suppliers offer a broad array of products and services, including but not limited to:

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

Given the broad spectrum of products and services that Coates Group purchases, our supplier base consists of approximately 3,850 companies globally. Around 60% of Coates Group's suppliers, based on spend, manufacture products overseas, with key production hubs in China, Germany, Canada, France, and more recently, India. Certain product categories, such as uniforms and personal protective equipment, are sourced from countries like Bangladesh and India, where manufacturing processes can pose higher risks. Additionally, IT hardware, telephony assets, and other technology-related products are primarily procured from Australian suppliers, who, in turn, source these items from China. Coates also engages with international suppliers for services in the information technology and professional services sectors, which play a vital role in supporting our operations across various regions. We continue to focus on ensuring that these global procurement practices adhere to the highest ethical standards and comply with the requirements of the Modern Slavery Act.

### **Risk of Modern Slavery practices in Coates' Operations**

Based on its hiring practices and human resources policies, Coates Group has identified a negligible risk of modern slavery within its labour hire processes. This assessment reflects the company's thorough commitment to maintaining ethical employment standards and ensuring compliance with all relevant laws and best practices in human resources management.

Coates Group is firmly dedicated to upholding the UN Guiding Principles on Business and Human Rights across all areas of its operations. With a workforce of approximately 2,000 employees spread across around 145 metropolitan, regional, and remote locations throughout Australia, Coates Group remains focused on maintaining the highest standards of ethics and compliance in all regions where it operates. Our diverse workforce spans various industries, and we take active measures to ensure that our hiring practices and operational standards reflect our commitment to human rights and fairness.

As part of our adherence to Australian workplace laws, Coates Group ensures full compliance with all relevant employment regulations in each jurisdiction in which we operate. Our comprehensive policies related to Human Rights, Equal Employment Opportunity, Non-Discrimination, Harassment and Bullying, Grievance Procedures, and Psychosocial Health have been intentionally developed to create a supportive, inclusive, and safe environment for all employees. These policies are continuously reviewed to ensure they remain in line with evolving best practices and legal requirements. Additionally, the Employee Code of Conduct sets out clear behavioural expectations for all employees, contractors, and affiliates, fostering a respectful and ethical workplace culture. We firmly believe that transparency, accountability, and open communication are essential to preventing and addressing any unethical practices.

Since Coates Group began preparing its Modern Slavery Statements five years ago, no valid concerns regarding modern slavery practices have been raised through any of these reporting channels, either concerning our own operations or our supply chains. This reflects the ongoing commitment of Coates Group to monitor, review, and continually improve our practices in line with global standards, ensuring that modern slavery risks remain minimal across all areas of our business.

We will continue to evaluate and strengthen our policies and processes to ensure a safe, fair, and ethical working environment, and we remain committed to addressing any risks related to modern slavery that may arise in the future.

### **Risk of Modern Slavery in the Coates Group's Supply Chain**

With all operations based in Australia, Coates's greatest exposure to modern slavery exists in our supply chain. We are taking a robust, phased approach to improving transparency across our direct and extended supply chain. During the first year of reporting, after an independent review of our risk management systems, we began the first phase of what will be a deep dive into our supply base. In FY24, we focused on a refreshed risk assessment approach, prioritising:

- Agreed rental industry risk priorities.
- High-risk categories and geographies based on current research.
- High-spend, high-impact Tier 1 suppliers with whom we have direct relationships and therefore the most influence.
- Our assessment also considered the modern slavery risk indicators noted in the Modern Slavery Act
- The use of unskilled, temporary or seasonal labor, such as cleaners
- Short, high-pressured contract timeframes or outsourcing
- Reliance on migrant workers or other vulnerable groups
- Product, product components or services provided within countries where international organisations report a high risk of labor exploitation.
- Recruitment strategies that target individuals and groups from marginalised or disadvantaged communities
- Long, complex, or opaque supply chains

Based on this approach, during the year we identified and prioritised our modern slavery risks and created a twelve-month plan of mitigating works.

## High and moderate supply chain risks

Our assessment indicated risk categories requiring attention include:



### Industrial Equipment

Earthmoving, Compaction, Telehandlers, Lighting, forklifts and Access are primarily sourced from Asia, where international organisations report a high risk of labour exploitation in some countries.



### Personal Protective Equipment (PPE)

Garments manufactured offshore have been identified as one of the biggest modern slavery risks being imported into Australia, particularly from China, India and Vietnam.



### Short-term contract cleaning and security staff

These services are primarily provided after hours, in a 'hidden' environment using low-skilled labour, employee conditions are at risk of being lowered.



### Electronics

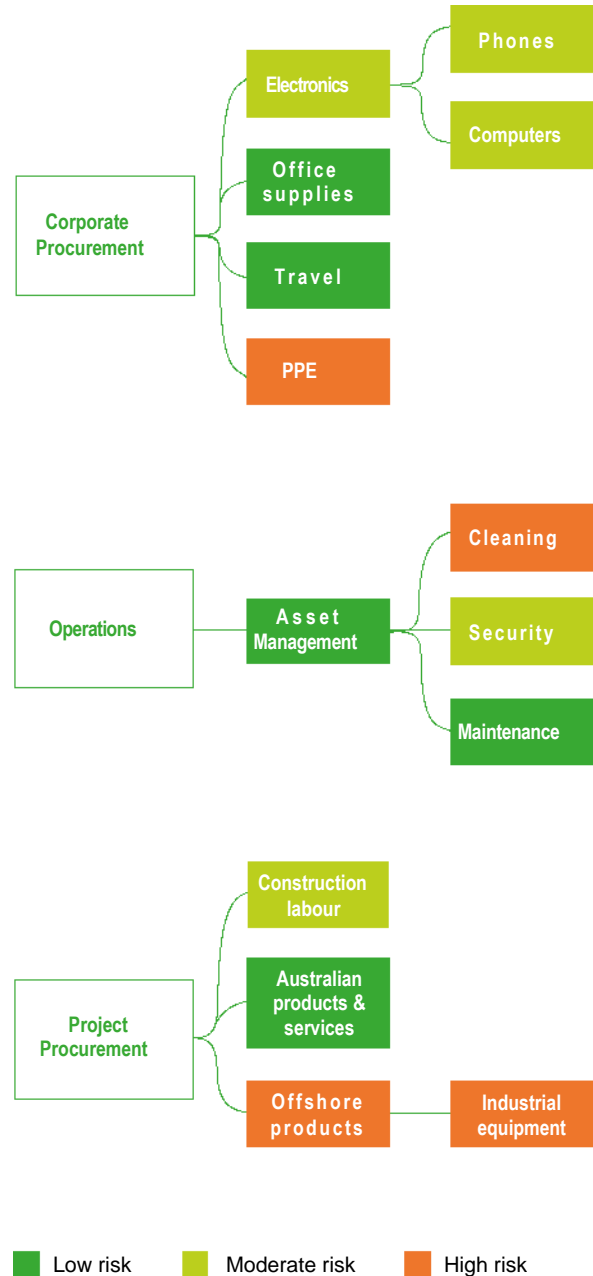
Hardware components and services are primarily manufactured in Asia, where international organisations report a high risk of labour exploitation in some countries.



### Construction labour

Employment practice visibility can be limited when Tier 2 or Tier 3 companies subcontract low-skilled or unskilled labour for construction projects.

## Our Modern Slavery Risks



## Actions Taken to Assess and Address Modern Slavery Risks as a part of the FY2024 Submission

In compliance with Mandatory Criterion Four of the Modern Slavery Act, this section outlines the actions taken by Coates Group to assess and address modern slavery risks within its operations and supply chains during the reporting period. This includes our ongoing governance, due diligence processes, supplier agreements, supply chain monitoring activities, and any remediation actions taken where necessary.

### Policy, Onboarding, and Contractual Obligations

Coates Group requires all suppliers to ensure that their operations, as well as those in their Tier One supply chains, are free from modern slavery and demonstrate a firm commitment to identifying and eradicating any such practices. Suppliers wishing to do business with Coates Group must adhere to these ethical standards.

To enforce this, Coates Group has established a comprehensive set of policies and procedures that guide supplier interactions and contractual agreements. Our Procurement and Purchasing Policy, supplier onboarding documentation, contractual and purchase order terms, and ongoing supply network monitoring processes are all designed to prevent any inadvertent engagement with suppliers who may pose a higher risk for modern slavery. These mechanisms ensure that only suppliers with a strong commitment to human rights and modern slavery eradication are onboarded.

Internally, Coates Group also upholds rigorous ethical standards through its Employee Code of Conduct. This, combined with associated training programs, the Coates Human Rights Statement, tender response documentation, and the Whistleblower Policy, outlines clear expectations for all employees in their dealings with suppliers, communities, and in the event of potential modern slavery incidents. Employees are encouraged to report any concerns they may encounter, reinforcing our commitment to tackling modern slavery at every level of the organisation.

### Supply Network Monitoring

Coates Group has made significant strides in enhancing its supply chain monitoring processes year after year, aiming to refine and deepen its risk-based checks. For the FY 2024 submission, and in alignment with the commitments from the previous statement, we conducted an extensive deep dive into 20 of our top suppliers identified as having elevated modern slavery risks based on country and/or commodity assessments from the Walk Free Foundation.

The monitoring process involved one-on-one, 45-minute virtual meetings with key staff from the Sustainability, Supply Chain, Manufacturing, and Procurement departments of these suppliers, all of whom possess firsthand knowledge of their supply chain, recruitment, labour, and manufacturing practices. The primary objective of these meetings was to assess suppliers' adherence to modern slavery standards and to review the associated policies, audit processes, and compliance mechanisms in place. The findings from these meetings were digitally transcribed and collated into an internal report. The results revealed the following key insights:

None of the suppliers had encountered instances of modern slavery within their networks over the past 10 years, as demonstrated by physical inspections of manufacturing sites for two-thirds of the suppliers interviewed.

The remaining one-third of suppliers are in the process of implementing physical inspections in the near future.

All suppliers demonstrated a clear understanding of the concept of modern slavery and showed a strong commitment to eradicating it from their supply chains. Several suppliers had either already published their Modern Slavery policies and processes or were in the process of doing so, further reflecting their commitment to ethical practices.

### Remediation Actions

Throughout FY 2024, Coates Group took proactive steps to assess potential risks and investigate concerns that arose with two specific suppliers. These assessments are outlined below, with no change to the overall risk profile of Coates Group's supply network, as no evidence of modern slavery was found.

**Tier Three Supplier of Solar Panels in China**

Coates Group reviewed a Tier Three supplier that manufactures solar panels in China, which were being installed at selected Coates Australia sites by an Australian renewable energy company. During our investigation, Coates Group found no evidence to suggest that the supplier was involved in any modern slavery practices. As a result, no remedial action was required at this time.

**Tier Two Supplier of Equipment Parts in China**

Coates Group also investigated a Tier Two supplier that manufactures equipment parts in China, a region flagged with a higher risk rating for modern slavery. Coates Group's investigation into this supplier also revealed no evidence of modern slavery practices. This investigation included a review of the supplier's internal processes, policies, and external media reports.

While no evidence of modern slavery was uncovered in these cases, Coates Group remains vigilant and committed to ongoing monitoring of these suppliers, commodities, and regions for any changes in risk profiles. We will continue to assess these suppliers and take appropriate remedial actions if any future concerns arise.

Coates Group remains dedicated to upholding the highest ethical standards and continuously improving its processes to mitigate risks related to modern slavery. We will persist in monitoring high-risk areas, engage in regular reviews of our suppliers, and strengthen our governance structures to ensure the ongoing protection of human rights across our supply chains.

**Effectiveness of Processes**

To comply with Mandatory Criterion Five of the Modern Slavery Act, this section outlines how Coates Group assesses the effectiveness of actions taken to address modern slavery risks. This includes a year-on-year review of results, changes in risk profiles, and any necessary remediation actions to ensure continuous improvement in supply network monitoring.

The SGH Group (including WesTrac, Coates, Boral, Beach Energy, Seven West Media, Allight, and Energy Power Systems Australia) Audit & Risk Committees oversee the SGH Group's response to modern slavery risks. In FY24, the SGH Group formalised its approach with the Modern Slavery Policy, which includes:

- Governance – Regular reviews of the risk management framework and policies aligned with SGH Group's strategy and values.
- Risk Assessment – Identification of high-risk areas for focused mitigation.
- Process – Integration of modern slavery considerations in supplier negotiations and agreements.
- Training – Raising employee awareness and providing mechanisms for reporting grievances.
- Monitoring, Reporting, and Continuous Improvement – Escalation of concerns to SGH Executives or the Board and evaluating the effectiveness of processes.
- Best Practice Sharing – Continuous improvement through shared practices across the SGH Group.

The effectiveness of modern slavery processes is reviewed regularly by governance bodies within each majority owned SGH business. Identified deficiencies or opportunities for improvement are addressed as they arise.

A Modern Slavery Working Group consisting of WesTrac, Beach Energy, Allight, and Coates meets quarterly to share insights, data, and best practices. This collaboration, alongside other industry exchanges, helps Coates Group measure the effectiveness of its policies through improved supply chain monitoring, issue escalation, and resolution, with final reports provided to the Board.

We are taking a risk-based approach to gradually extending transparency deeper into our supply chains, progressively working through our highest risk areas and addressing issues as we go. We track the effectiveness of

this work via multiple, robust controls, including through our Risk Management Framework, Supplier Relationship Management, HSE systems and contractual requirements.

We are committed to continually improving our approach to modern slavery over the long-term. Key areas identified for ongoing improvement include:

Risk Assessment: Over the past two years, we have engaged with our direct suppliers, focusing on high-spend and high-risk categories where we have the most influence. While this is an appropriate approach at this early stage in our modern slavery journey, over the coming years we will work collaboratively with our suppliers and industry peers to gain greater insights into the risks further down our supply chain.

Internal training and engagement: We are aware of the need to continue to build capability in and understanding of modern slavery within our business. Our training program to date has focused on those in procurement decision-making positions. Over the coming years, we will expand this out more broadly across the business, including both senior leaders and those on the ground making purchasing decisions.

Modern Slavery Working Group: This cross-functional working group will be rolled out in FY25, with representatives from all our key business functions. This group will focus on driving continual improvement in our modern slavery approach and have strategic input into preparing our annual Modern slavery statement.

### **Board Approval**

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