

2021 MODERN SLAVERY STATEMENT

William Adams



INTRODUCTION

This Modern Slavery Statement (Statement) is made in accordance with the Modern Slavery Act 2018 (Cth) (the Act). This is William Adams Pty Ltd's (William Adams) second Modern Slavery Statement. It follows the 2020 Modern Slavery Statement, which was approved by the board of directors of William Adams on 31 March 2021.

William Adams recognises that modern slavery is a complex issue that affects workers, individuals and communities globally on an enormous scale. We are determined to work collaboratively with our suppliers and other stakeholders to play our part in ending modern slavery.

Modern slavery rarely occurs in isolation and can form part of more complex issues, including wider discrimination and exploitation of workers. Examples of modern slavery include slavery, servitude, child labour, forced labour, human trafficking, debt bondage, slavery like practices, forced marriage and deceptive recruiting for labour or services.

William Adams remains committed to acting responsibly and with high ethical standards. We are guided by our company values, that unite our employees and drive our company culture.

Those values are:

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INTEGRITY

Integrity is the foundation of all we do. It is a constant. Those with whom we work, live and serve can rely on us. We do not improperly influence others or let them improperly influence us. We are respectful and behave in an open and honest manner.

EXCELLENCE

We are passionate about people, process, product and service excellence. We are determined to serve our customers through innovation, continuous improvement, an intense focus on customer needs. For us, Excellence is not only a value; it is a discipline and a means for making the world a better place.

TEAMWORK

We are a team, sharing our unique talents to help those with whom we work, live and serve. The diverse thinking and decision making of our people strengthens our team. We respect and value people with different opinions, experiences and backgrounds. We know that by working together, we can produce better results than any of us can achieve alone.

COMMITMENT

Individually and collectively we make meaningful commitments –to each other, and to those with whom we work, live and serve. We understand and focus on the needs of our customers. We are responsible members of our communities who are dedicated to safety, care for our environment and manage our business ethically.

SUSTAINABILITY

We are committed to building a better world. Sustainability is part of who we are and what we do every single day. We recognise progress involves a balance of environmental stewardship, social responsibility and economic growth. We work toward a vision of a world in which people's basic needs - such as shelter, clean water, education and reliable energy - are fulfilled.

We have and continue to develop processes and procedures to identify and remedy instances of modern slavery and recognise that enormous work is needed, globally, to address these issues.

This Modern Slavery Statement describes the structure, operations and supply chains of William Adams, and the risks of modern slavery in those operations and supply chains during the period 1 July 2020 to 30 June 2021 (Reporting Period). It also details the actions taken by William Adams to minimise the identified risks and the effectiveness of those actions.

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REPORTING ENTITY

This Modern Slavery Statement has been prepared in accordance with the Act.

The reporting entity covered by this modern slavery statement is **William Adams Pty Ltd** ABN 72 009 569 493.

William Adams is an Australian proprietary company with its registered office in Burnie, Tasmania.



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STRUCTURE, OPERATIONS AND SUPPLY CHAIN OF WILLIAM ADAMS

William Adams is the Caterpillar heavy machinery dealer for Victoria and Tasmania. Headquartered in Clayton, Victoria, William Adams supplies Caterpillar products and services to the construction, mining, quarrying, on-highway trucks and marine industries.

William Adams has branches in 14 locations throughout Victoria and Tasmania. William Adams employs approximately 650 people and trades as William Adams CAT, the Cat Rental Store and Head Hunters.

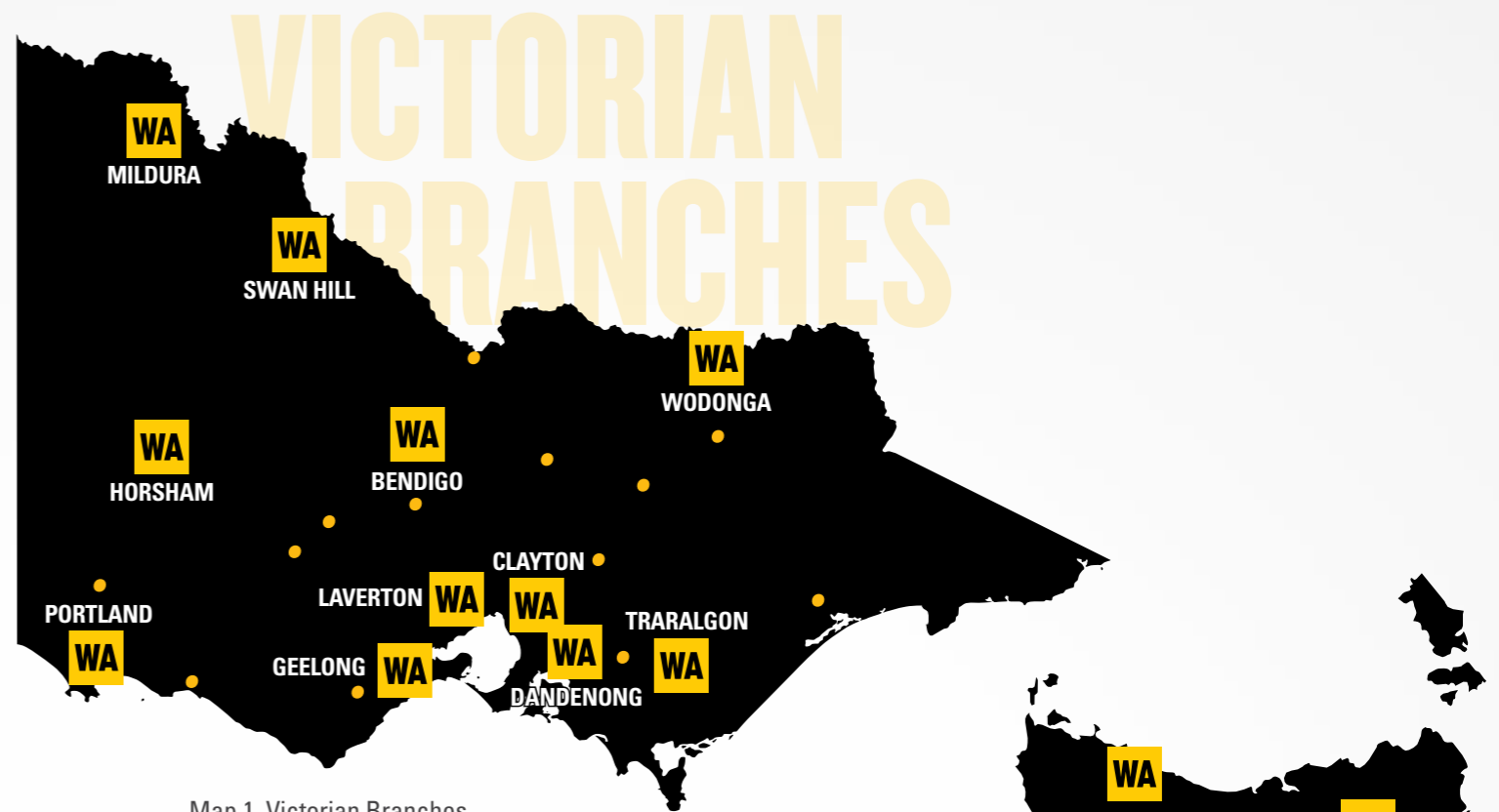
OPERATIONS

William Adams' operations include:

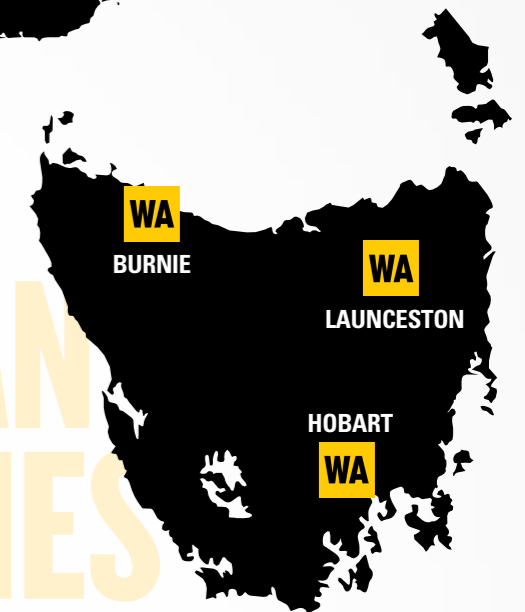
- Sales and service of new and used Caterpillar products;
- Rental of Caterpillar and related products through the Cat Rental Store;
- Sales of new, used and remanufactured parts;
- Condition monitoring services and other technology solutions; and
- Engine repair and reconditioning through Head Hunters & Development.

Our operations are supported by the following functions:

- Finance and credit;
- Legal and risk management;
- Human resources;
- Information services; and
- Marketing.



Map 1. Victorian Branches



Map 2. Tasmanian Branches

SUPPLY CHAIN

As the long-standing Caterpillar dealer for Victoria and Tasmania, William Adams' supply chain remains stable and it is largely based on long term relationships, with the major supplier being Caterpillar and Caterpillar related entities.

Beyond Caterpillar, William Adams' supply chain is comprised of approximately 3,300 suppliers, that can be broadly split into two categories:

- **Trade based suppliers:** Suppliers that provide goods and services to William Adams that William Adams will resell to customers or incorporate into other goods for resale. Caterpillar is the most prominent trade-based supplier to William Adams, and others include suppliers of aftermarket parts, accessories and attachments, oils and lubricants.
- **Non-trade suppliers:** Suppliers that provide goods and services to support William Adams' operations and/or goods that are not intended for sale to customers. These include transport and logistics, cleaning services, waste disposal and uniform and safety supplies.

There has been little change in the William Adams supply chain during the reporting period and it remains complex and diverse, encompassing businesses in size from small family operated businesses through to global corporations.



MODERN SLAVERY RISKS

At a high level, William Adams acknowledges that there are risks that modern slavery practices may occur within its supply chains and operations that may lead to William Adams **causing, contributing to, or being directly linked to** modern slavery. We discuss each of these elements below.

William Adams considers the risk that it is responsible for directly **causing** modern slavery is very low. We have a range of internal control and governance measures designed to foster (and monitor) ethical business conduct in everything we do.

Internal personnel risk is largely managed by our professional and thorough recruitment practices. William Adams predominantly engages its employees on permanent employment contracts and has policies, procedures and resources to ensure compliance with relevant laws, including with respect to employee pay and entitlements.

Other policies contributing to the ethical treatment of our personnel and other people in our operations include our:

- Code of Conduct;
- Equal Opportunity, Anti-Discrimination, Harassment & Bullying Policy; and
- Anti-bribery and Corruption Policy.

William Adams also has a Whistleblower Policy with anonymous reporting available to employees to raise any concerns regarding modern slavery (as well as other illegal, unethical, fraudulent or undesirable conduct).

In addition, all employees have access to an independent employee assistance program through Converge International.

There is some risk within William Adams' supply chain that it may **contribute to** modern slavery, however we consider that the risk is very low. William Adams always aims to treat its suppliers ethically and would never knowingly act in a way (such as through the exertion of commercial pressure or the imposition of contractual terms and conditions) that directly or indirectly incentivises a supplier to engage in modern slavery practices.

William Adams recognises that there is also a risk that it may be **directly linked to** modern slavery practices as a consequence of its suppliers, or suppliers to its suppliers, engaging in modern slavery activities without William Adams' knowledge. We are aware that modern slavery risks may differ throughout the various links in our supply chain and may be heightened in certain sectors and locations.

To better understand its supply chain risks, William Adams has reviewed the results of the risk assessment of its most significant suppliers that was undertaken in the previous reporting period (reported on in our 2020 Modern Slavery Statement). The review process has allowed us to update our supplier lists to optimise the risk analysis that we perform.

To further assess the risks associated with our most significant suppliers, we have commenced engaging with those suppliers via a supplier questionnaire with the focus remaining on the following factors:

- Sector risk;
- Product risk;
- Geographical risk; and
- Specific entity risk.

William Adams will continue to build on the process of engagement with suppliers, especially those identified as high or medium risk, to investigate areas of improvement and/or potential alternatives.



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ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

During the Reporting Period, William Adams took numerous actions to assess and address the risks of modern slavery within its operations and supply chains. William Adams has continued to engage its senior management team to ensure appropriate oversight and awareness was received by all parts of the business.

William Adams assembled a team to address compliance with the Act and any modern slavery issues that may become evident. That team is responsible for engaging with the broader business to assess and address modern slavery risks.

Some of the actions and outcomes that William Adams has undertaken during the Reporting Period are outlined below.

ASSESSMENT OF RISKS

- Engaging with senior management to ensure appropriate oversight for compliance with the Act and in assessing modern slavery risks more generally.
- Updating the register of William Adams' suppliers to record risks of modern slavery within the supply chain that were identified during the previous reporting period. Continual audit and revision of suppliers to identify relevant risks.
- Identifying areas and methods of risk prevention and mitigation with the aim of minimising and ultimately eliminating modern slavery.
- Commencing a supplier questionnaire for existing suppliers to complete and for use during the onboarding process of new suppliers to more fully assess the risks associated with suppliers.

ADDRESSING AND MITIGATING THE RISKS OF MODERN SLAVERY

- Ensuring compliance with the William Adams Modern Slavery Policy and Supplier Code of Conduct, by William Adams and its suppliers to mitigate risks of modern slavery being present in our operations and supply chain.
- Introduction of requirements for suppliers to assess and address modern slavery risks in their own supply chains including to allow William Adams to audit suppliers and to terminate agreements for non-compliance with modern slavery obligations.
- Continuation of the development of William Adams' procurement policy.
- Updating website to ensure transparency in William Adams modern slavery prevention initiatives, including publication of the 2020 Modern Slavery Statement and Supplier Code of Conduct.
- Company-wide communications to increase awareness amongst our entire workforce of the prevalence and risks of modern slavery, and what actions can be taken to minimise those risks.

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ASSESSING THE EFFECTIVENESS OF ACTIONS

As modern slavery issues are so complex and wide ranging, it is difficult to measure the effectiveness of single actions. We are pleased with the overall increased awareness of modern slavery issues across the whole business.

In assessing the effectiveness of the actions we have taken in this and the first Reporting Period to assess and address modern slavery risks, we report the following outcomes:

- The work we have undertaken around the assessment and monitoring of our suppliers has given us a greater understanding of the participants in our supply chain which will allow us to further address these issues in future reporting periods;
- We continue to increase our understanding of the prevalence of modern slavery and the actions we can take to minimise the risks;
- Our suppliers are contractually obliged to investigate, assess and address modern slavery risks within their operations and supply chains and those obligations are becoming more accepted and widely understood; and
- In our capacity as a supplier, we readily agree to comply with modern slavery minimisation and reporting requirements of our customers and we actively participate with our customers to ensure compliance with modern slavery laws.



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PROCESS OF CONSULTATION

William Adams does not own or control any operating entities that require consultation in relation to modern slavery risks under the Act. William Adams has engaged in discussions with other businesses to understand and share experiences in assessing and addressing modern slavery within the respective organisations.

This statement, and the work undertaken in addressing modern slavery risks, has been prepared and undertaken with input from relevant areas of the William Adams organisation, including procurement, finance, legal and senior management.



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LOOKING FORWARD

William Adams remains committed to continuous improvement of its procurement processes and identifying and minimising modern slavery within its operations and supply chain.

It is our aim to undertake ongoing monitoring of modern slavery risks and continue to identify areas for improvement. To achieve this, we will continue to engage with our suppliers and understand the risk profile in relation to modern slavery and mitigate those risks where possible.

William Adams will widen the scope of its supplier risk analysis process in the future, with a view to increasing its engagement with suppliers identified as high or medium risk and to investigate areas of improvement or, if that is not possible, seek potential alternatives.

We will seek to increase employee awareness of modern slavery risks, in particular within our procurement team, and undertake further training in relation to the impact modern slavery has across our business and more widely. We will also make changes to our internal Code of Conduct to further embed knowledge of modern slavery risks amongst all of our employees.

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APPROVAL OF MODERN SLAVERY STATEMENT

This statement was approved by the board of directors of William Adams Pty Ltd on 23 December 2021.



Eddy Kontelj
Managing Director

APPENDIX

This Modern Slavery Statement was prepared to address the mandatory criteria and to ensure compliance with the Modern Slavery Act 2018.

The table sets out where each mandatory criterion is addressed within the statement.

William Adams



MANDATORY CRITERIA

PAGE

01	Identify reporting entity.	3
02	The structure, operations and supply chains of the reporting entity.	4
03	The risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	6
04	The actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks.	8
05	How the reporting entity assesses the effectiveness of such actions.	9
06	The process of consultation with any entities the reporting entity owns or controls or is issuing a joint modern slavery statement with.	10
07	Any other information that the reporting entity, or the entity giving the statement, considers relevant.	2 & 11

