



FY20 Inaugural Modern Slavery Statement

Chairman & CEO Statement

WHSP respects and promotes human rights. We do not tolerate human rights violations, including modern slavery and labour rights violations more broadly.

Australia's Modern Slavery legislation, the *Modern Slavery Act 2018*, has brought considerable awareness to the incidence of modern slavery around the world. We are committed to supporting this principles based legislation where the rights of victims and survivors are embedded in the assessment of risk, including the work we undertake to identify, assess and address potential modern slavery risks in our operations and supply chain.

In this statement, we have looked at the steps we can undertake to better understand where the potential risks lie in our operations or supply chain and our sphere of influence to mitigate the risks. We have outlined the various steps we have taken to do this.

WHSP is an investment holding company with over 80% of the net asset value of its portfolio invested in listed securities, therefore WHSP has limited control over the operations of its investee companies. However, we are disciplined in assessing risks and taking steps to mitigate risks that we identify. We will be diligent in our assessment of modern slavery risk and in taking steps to hold investee companies accountable for addressing modern slavery risks through the influence that we have over an investee company.

We are ultimately custodians of shareholder wealth and trusted partners. As such we are accountable for protecting human rights and reducing the risk that goods and services are the product of modern slavery.

COVID-19

During the second half of the financial year COVID-19 had a significant impact on all businesses, including our suppliers. We acknowledge that COVID-19 has had a significant impact on global supply chains, which has increased the risk of modern slavery occurring for people who are already vulnerable to exploitation.

While some of our investment subsidiaries were impacted to varying degrees, the Parent Company was relatively unaffected and did not participate in government funding, did not require rent relief and did not reduce its workforce. Subsidiaries who received small amounts of Job Keeper assistance did not pay dividends and WHSP supported those investments through a challenging time.

Governance

Respect for human rights is a fundamental component of the sustainability and effectiveness of our business and investments. The Board is responsible for making investment decisions and considers ESG issues, including human rights, in relation to new and existing investments on an ongoing basis. The WHSP management team are responsible for reporting to the Board on issues affecting the sustainability of its investments and it is a requirement of every new investment proposal to specifically address ESG risks and opportunities, including human rights.

The Head of Legal and Governance at WHSP is in charge of the modern slavery response. She is a member of the executive leadership team and engages with the senior managers responsible for each reporting entity.

Criteria 1: Identify the reporting entity

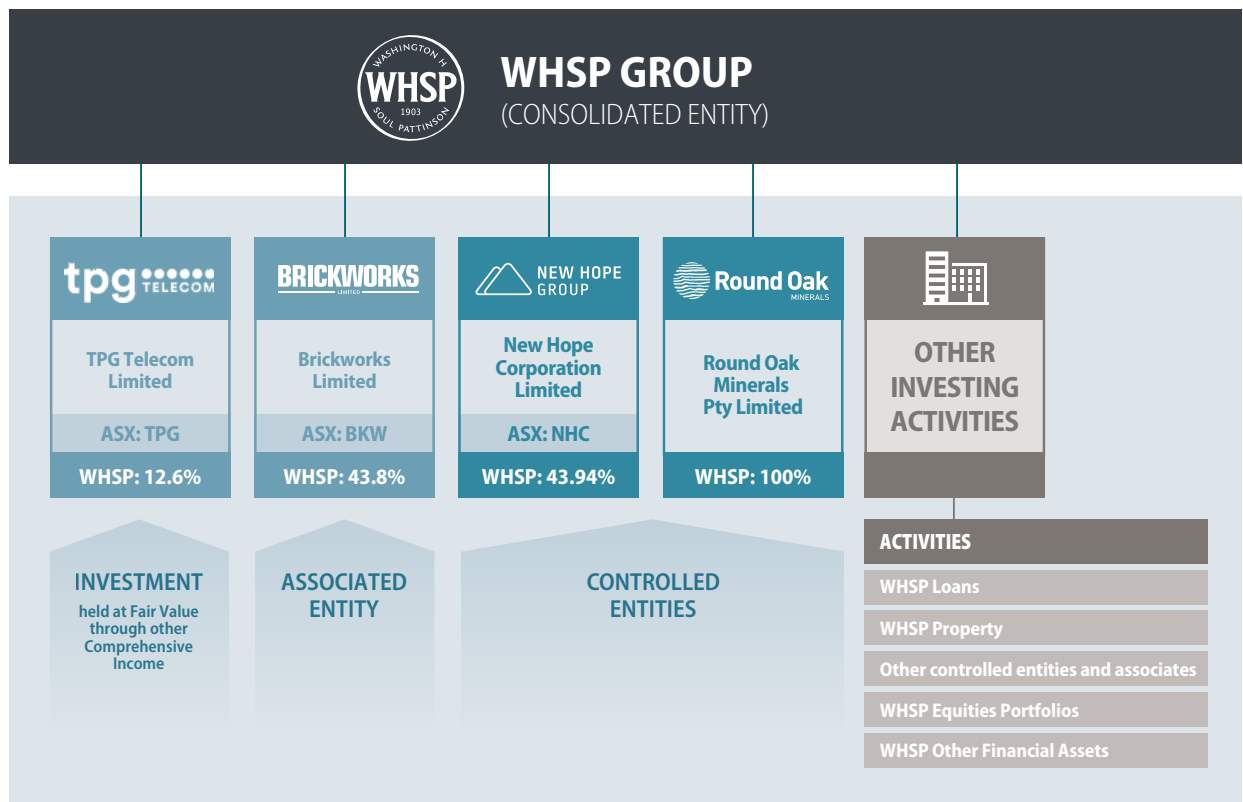
This is a joint modern slavery statement under section 14 of the *Modern Slavery Act 2018* (Cth) (the Act), covering the following entities:

- Washington H. Soul Pattinson and Company Limited (WHSP) – reporting entity
- Pitt Capital Partners – reporting entity
- Aquatic Achievers – voluntary under Section 6 (see addendum to this Statement)
- Round Oak Minerals – reporting entity (see addendum to this Statement)

The following entities will produce their own Modern Slavery Statements:

- TPG – reporting entity
- Brickworks – reporting entity
- New Hope Group – reporting entity

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



WHSP and Pitt Capital Partners

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. Its flexible mandate is a key advantage to generating returns by allowing WHSP to make long-term investment decisions and adjust the portfolio by changing the mix of investment classes over time. WHSP holds a diversified portfolio of uncorrelated investments across listed equities, private equity, property and loans.

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. PCP bring capital, ideas and advice for all of the companies they work with. PCP focus on the quality of the business and management team, as opposed to a particular sector or thematic area.

WHSP and Pitt Capital Partners are headquartered in an office in Sydney, Australia with 27 employees.

WHSP and Pitt Capital's direct (Tier 1) supply chain comprises approximately 140 suppliers across 10 industry categories. All Tier 1 suppliers are Australia-based – a jurisdiction with low levels of vulnerability to modern slavery and a strong government response.

Our top categories by spend include:

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

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, we recognise that there are modern slavery risks in our operations and supply chains. Modern slavery exists at the extreme end of a spectrum of labour exploitation and human rights abuse. WHSP and Pitt Capital operate 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. WHSP and Pitt Capital could be linked to modern slavery risks through its supply chain, including through the procurement of electronics and IT equipment, as well as through the procurement of services such as cleaning, catering, construction and building maintenance.

WHSP procures electronic goods in the form of mobile phones, computers, printers, etc., and 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. 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.

We also procure 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-skilled 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.

WHSP may also be linked to modern slavery risks through its investment activities. For example, WHSP continues to examine new long-term investment themes such as agriculture. The agricultural industry is known to be higher risk for human rights abuses in Australia. Temporary and seasonal agricultural work carries a greater risk of modern slavery, with a large proportion of migrant labour and commercial pressures across the value chain.

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 MSA, WHSP's obligations fall under several categories, including its direct operations and controlled entities.

Our role as an employer

- WHSP is committed to respecting the human rights of our employees through our internal employment policies and practices, such as our Diversity 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.

Our role as a buyer

- WHSP 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.

Our role as an investor

- WHSP integrates the consideration of Environmental, Social and Governance (ESG) factors, including human rights, 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.
- By way of example, we have identified our agricultural portfolio as a potential higher risk for human rights and modern slavery. As a result, we conducted a deep dive risk assessment into the practices in our agricultural portfolio as well as the supply chain of our asset manager.

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.

Risk identification

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 and supply chain. We were supported by an external consultant to undertake a high-level operational risk assessment to identify potential human rights risks in our operations. This exercise was complemented with a modern slavery supplier risk assessment to identify and understand where the risks of modern slavery lie in the relevant supply chains. This assessment focused on Tier 1 suppliers, which relates to the first level of the supply chain, as captured in accounts payable spend data.¹

¹ While our operational risk assessment and supplier risk assessment activities commenced within the FY20 reporting period, we recognise these activities extended into FY21, which will be our second reporting period.

A supplier risk assessment enables an analysis of Tier 1 suppliers based on categories and locations deemed to be higher risk for modern slavery and human rights issues. Two 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 three metrics used in the supplier risk assessment were country, category and dependency risk. All Tier 1 suppliers are based in Australia. As this was a Tier 1 exercise with all suppliers located within Australia, the country risk results were limited. Further insight will be gained by deeper analysis beyond Tier 1 as WHSP develops its approach to assessing and managing Modern Slavery 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.

Operational Risk Assessment

WHSP and Pitt Capital

With the assistance of an external consultant, we have identified a number of human rights risks relevant to investment management:

- Workplace health and safety
- Procurement of electronic goods
- Labour contracting (cleaning, security and building maintenance)

Supply Chain Risk Assessment

WHSP and Pitt Capital

No supplier category scored in the high or very high risk range, but many scored in the medium risk range. The category with the highest risk score was electronic equipment (4 suppliers), followed by labour contractors within business services (6 suppliers).

Mitigating and responding to the risks of modern slavery

WHSP and Pitt Capital

As part of our commitment to respect human rights, WHSP developed a [Human Rights Policy](#) that applies to both WHSP and Pitt Capital. 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)
- other applicable local and international laws

There are certain human rights that are of increased relevance to us as a company with a diversified investment portfolio. We were supported by an external consultant to identify our most relevant human rights, which include aspects such as, health and safety, discrimination, freedom of association, child labour, forced labour and working hours.

Reporting Grievances

WHSP and Pitt Capital

WHSP is committed to promoting a culture of corporate compliance and highly 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. Grievances can be raised either through internal mechanisms, including email, phone or by mail, through the anonymous, external and independently run whistleblowing service provider, Your Call, or through our external auditor Pitcher Partners Sydney. Details are provided in the [Whistleblower Policy](#).

Criteria 5:

Describe how the reporting entity assesses the effectiveness of these actions

Our relevant internal processes and procedures designed to mitigate the risks of modern slavery and understand the effectiveness of our processes include, but are not limited to the following:

- We will review the Human Rights Policy at least annually to ensure it continues to be effective and relevant
- 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, the increased focus on modern slavery is making this a more explicit component of our due diligence
- Quarterly risk reporting to the Board 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

As a small organisation with limited direct operations, WHSP has decided to take its time and pilot certain activities, and will expand its response to a greater number of investees and suppliers if we see they are effective measures in the fight against modern slavery.

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 owned or controlled entity outlining its commitment to respecting human rights and its expectations for compliance with the MSA.

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.

Criteria 7: Provide any other relevant information

In line with our efforts to ensure continuous improvement, in our next reporting period we will look to build on our response by:

- Reviewing procurement policies and contractual arrangements relating to third parties and suppliers to include a clause on modern slavery
- Training our management team and relevant employees on modern slavery
- Embedding supplier categories into our accounting system to identify inherently higher risk suppliers for targeted due diligence

This Statement is authorised by the WHSP Board.



Robert Millner
Chairman

28 January 2021

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Modern Slavery Statement

Addendum

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

This Addendum should be read in conjunction with the WHSP statement.

Addendum 1



Round Oak Minerals

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 MSA statement, Round Oak is a 100% owned subsidiary of WHSP.

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 copper mine), the northern goldfields region of Western Australia (underground zinc and copper mine), and in South Australia (gold heap leach). 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. In the past year Round Oak has placed two open cut mining operations in north-west Queensland (copper and gold) into care and maintenance.

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).

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 were undertaken during the year 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:

- Interrogating the existing supply chain to determine MSA-related compliance
- Ensuring policies and procedures specifically acknowledge human rights and are aligned with internationally recognised human rights instruments
- Develop group-wide awareness training and present to employees
- Ensuring the results from this Tier 1 risk assessment are considered and any relevant actions adopted within the next revision of Round Oak's Procurement Policy
- Establishing a cloud-based Supplier prequalification process, with specific, assessed queries and metrics relative to Modern Slavery
- Gaining further granularity within the Business Services category. Whilst considered a low risk category in its entirety, the labour-related transactions may carry additional, higher risk elements

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](#).

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.

This statement is authorised by the CEO.



Robert Cooper
Chief Executive Officer