

Modern Slavery Statement MaxiTRANS Industries Limited

Introduction

This statement, pursuant to the *Modern Slavery Act 2018* (Cth) (**Act**), sets out the actions taken by the MaxiTRANS Group to address Modern Slavery risks in our business and supply chain for the financial year ending 30 June 2020 (**Reporting Period**). This is MaxiTRANS' first statement under the Act.

We are committed to continuous improvement in our processes to effectively identify and prevent the risk, and remediate any circumstance, of Modern Slavery in our business or supply chain, and this commitment is underpinned by the following Company Values:

- Be honest, forthright and ethical in our dealings.
- Encourage deep seated collaboration and accountability.

Reporting entities

This statement applies to MaxiTRANS Industries Ltd ACN 006 797 173 (**MaxiTRANS**) and each wholly owned entity of MaxiTRANS and entities over which MaxiTRANS has control including:

- MaxiTRANS Australia Pty Ltd ACN 081 151 699;
- MaxiPARTS Pty Ltd ACN 110 786 215;
- Lusty EMS Pty Ltd ACN 073 708 263; and
- Transport Connection Pty Ltd ACN 159 813 733.

MaxiTRANS' structure, operations and supply chains

MaxiTRANS is a public company listed on the Australian Stock Exchange. It is the largest supplier of locally manufactured, high quality heavy road transport trailer solutions, including trailer repair and service, in Australia and New Zealand, and one of Australia's largest suppliers of truck and trailer parts to the road transport industry in Australia through the MaxiPARTS wholesale and retail network.

MaxiTRANS manufactures and sells the following brands of semi-trailers and transport equipment through its own dealerships, as well as independent dealers, across Australia and in New Zealand:

- Maxi-CUBE – Dry freight and temperature-controlled vans for the general freight and food/grocery sector;
- Freighter – General freight trailers including curtain-sided, flat top, drop deck semi and skeletal trailers;
- Hamelex White – Aluminium tippers and truck bodies for bulk haulage applications;
- Lusty EMS – Aluminium tippers for the agricultural sector;
- Azmeb – Side tippers for resource and waste management sectors;
- Peki – Temperature controlled and dry freight truck bodies for the general freight and food/grocery sector;
- MaxiPARTS – Truck and trailer parts retailing and wholesaling.

MaxiSAFE

Send all our people home safely

Our operations in Australia and New Zealand include:

1. MaxiTRANS manufacturing facilities located respectively in Melbourne and Ballarat, Victoria, and Brisbane, Queensland.
2. MaxiTRANS' trailer service centres in Derrimut and Dandenong, Victoria, Smeaton Grange, New South Wales, and Adelaide, South Australia and mobile "breakdown" trailer servicing.
3. 20 stores in the MaxiPARTS network in various locations in Australia.
4. A MaxiPARTS warehouse at Truganina, Victoria.
5. New Zealand – manufacturing and servicing and repairs site in Auckland and trailer servicing in Christchurch.
6. MaxiTRANS engages approximately 870 FTE employees in Australia and 61 in New Zealand. Our employees are engaged either by direct contract and/or in Australia, under enterprise agreements; specifically, 5 enterprise agreements which cover about 33% of employees. We have no industrial agreements within New Zealand.
7. Our supply chain consists of 1594 suppliers located in the following areas:

a.	Australia	1528
b.	Asia	40
c.	Europe	14
d.	The Americas	8
e.	Africa	4

The risks of Modern Slavery practices in the operations and supply chains of MaxiTRANS and its controlled entities

In MaxiTRANS' assessment, there is negligible risk of the following practices occurring in its own operations, or the operations of the entities it owns or controls:

- Slavery;
- Servitude;
- Unlawful child labour;
- Forced labour;
- Human trafficking;
- Debt bondage;
- Slavery like practices; or
- Deceptive recruiting for labour or services;

(individually or collectively **Modern Slavery**),

because:

- i. MaxiTRANS' workers are engaged in direct employment relationships, subject to relevant awards or industrial instruments, and at all times, subject to National Employment Standards under the *Fair Work Act 2009* (Cth);
- ii. Our employees have free choice of employment; the use of forced, bonded or involuntary labour does not occur;
- iii. MaxiTRANS complies with the national minimum age of employment;
- iv. Our employees are not permitted or encouraged to incur debt through recruitment fees, fines or other debts to their employing entity;
- v. Employees are not required lodge deposits or identity papers with MaxiTRANS and are free to seek other employment at any time;
- vi. Employees are free to leave their place of employment after their shift;
- vii. Wages or benefits for a standard working week meet or exceed all legal requirements;

- viii. Deductions from wages as a disciplinary measure do not occur, and any deductions which are not permitted by law do not occur unless the employee has consented;
- ix. Employees have the right to join or form trade unions or to collectively bargain;
- x. MaxiTRANS adopts an open attitude towards the activities of trade unions, workers representatives and their organisational activities and does not prevent or interfere with legitimate trade union activity; and
- xi. Our operations occur in jurisdictions where adherence to law is the norm and transparent and strong labour systems exist, subject to sound regulatory oversight.

Forced marriage is not considered to be a risk for MaxiTRANS' internal operations. Whilst we have no knowledge of a particular circumstance of Modern Slavery occurring, MaxiTRANS acknowledges that there is risk that Modern Slavery could occur in our supply chain because:

- Our contracts with first tier suppliers historically did not include terms which permit or authorise MaxiTRANS to proactively audit or assess the labour practices of our first tier suppliers or their respective supply chains or any measures which a supplier has in place to identify and eliminate Modern Slavery in their own operations and supply chain; and
- Our supplier engagement and auditing processes are matters which require ongoing development or enhancement in the short to medium term.

Actions and due diligence processes taken by MaxiTRANS and its controlled entities to assess and address risks of Modern Slavery practices

MaxiTRANS has robust formal policies and systems already in place to promote and ensure ethical and legally compliant business conduct in its operations. These policies and systems include our Code of Conduct, Speaking Up Policy (for "whistleblowers") and access to Faircall, an anonymous ethics hotline operated by KPMG, which contribute to our commitment to prevent Modern Slavery in our business. Copies of these policies are available on the MaxiTRANS website at <https://www.maxitrans.com/corporate-governance>.

Given available internal resourcing, it is necessary for MaxiTRANS to strategically focus its efforts in each reporting period on those areas which we assess to present an elevated risk of exposure.

Major focus areas for the Reporting Period:

1. **Cleaning:** Industrial cleaning is considered to be a known high risk sector and accordingly, MaxiTRANS determined to address this risk in its business during the Reporting Period. Previously, MaxiTRANS engagement of cleaning contractors was on an ad hoc basis with varying terms. In the Reporting Period, MaxiTRANS appointed an award winning, multi-national company with 20 years' experience to provide cleaning services at all major Australian sites. The contract with this supplier:
2.
 - a. Obliges it to:
 - i. Ensure labour rights for all employees;
 - ii. Ensure wages, benefits and entitlements as required by law, are paid or given to its employees; and
 - iii. Prohibits subcontracting unless MaxiTRANS has consented; and

- b. Mandates that (i) it will not, and will procure that its supply chain does not, engage in Modern Slavery, (ii) it will report to MaxiTRANS any known or suspected circumstance of Modern Slavery in its operations or supply chain, (iii) it will assist MaxiTRANS to investigate, and will remediate, any circumstance of Modern Slavery in its operations or supply chain, and (iv) it must permit MaxiTRANS to audit its systems for compliance with these obligations.
3. **Recruitment practices:** The contract with a supplier of recruitment services in the Philippines was negotiated to include appropriate terms to ensure deceptive recruitment practices did not occur, and that workers would not be subjected to forms of Modern Slavery, in particular debt bondage, in connection with the recruitment services.

Other key initiatives and activities in this reporting period:

1. **Governance** – Strengthened our approach by establishing an “Anti-Slavery Working Group” to coordinate due diligence activities across our operations and supply chain;
2. **Corporate Policy** – MaxiTRANS issued a statement confirming its commitment to eliminating Modern Slavery in its operations and supply chain;
3. **Supply Chain Mapping** – identified and mapped all tier one suppliers according to internal business unit, geographic location and spend;
4. **Supplier contracts** – Strengthened our template supplier contracts with additional clauses requiring the supplier to take practicable steps to identify Modern Slavery risks in its operations or supply chain, to report and remediate any occurrence of Modern Slavery and allow audits by MaxiTRANS to identify compliance levels;
5. **Training** – selected an external provider who will be engaged to deliver appropriate training on Modern Slavery principles to relevant employees;
6. **Self-assessment** – For the reporting period ending 30 June 2020, MaxiTRANS self-assessed its maturity making use of the KPMG Modern Slavery Benchmark. The KPMG Modern Slavery Benchmark is informed by, and seeks to align with, the UN Guiding Principles on Business and Human Rights and other international standards and frameworks. It is designed to assist an organisation to consider the maturity of its approach to managing Modern Slavery risks related to its operations and supply chain, benchmarked against established elements of international good practice in human rights due diligence. Whilst the self-assessment activities undertaken by MaxiTRANS were based on the KPMG Modern Slavery Benchmark methodology developed by KPMG, these self-assessment activities by MaxiTRANS did not extend to KPMG being engaged to undertake any audit or other review activities to consider or confirm the outcomes of the process, or the maturity or compliance of MaxiTRANS and its business operations in the context of the *Modern Slavery Act 2018* (Cth).

Looking forward:

In the FY21 reporting period, our focus areas will be:

- Delivery of appropriate training on Modern Slavery issues to relevant officers and employees of MaxiTRANS;
- Commencing broad supplier engagement on Modern Slavery, initially by educating suppliers about MaxiTRANS’ commitment to eliminating Modern Slavery in its supply chain and seeking confirmation of their alignment with our values in this regard; and
- Developing a supplier code of conduct.

How MaxiTRANS assesses the effectiveness of its actions and due diligence processes

At this stage, the effectiveness of our actions and due diligence processes will be measured via:

- **Training:** Completion of Modern Slavery awareness training by 100% of nominated employees;
- **Education and “value alignment” supplier campaign** - number of letters issued to suppliers and number returned; and
- **Reports:** Any circumstance of Modern Slavery being identified or reported, and appropriately remediated.

The process of consultation

MaxiTRANS’ Board, Managing Director and General Counsel / Company Secretary receive regular updates on the activities of the Anti-Slavery Working Group.

Senior management of the MaxiTRANS group are aware of the contents of this statement.

The directors of each reporting entity have approved, by resolution, the issuing of this statement.

Other relevant information

MaxiTRANS’ progress in addressing Modern Slavery risks in our business and supply chain during the Reporting Period was hampered by the fact that administrative and management resources that would have otherwise been available, were diverted to address the effect of, and regulatory activities arising from, the Covid 19 pandemic.

This statement was approved by the Board of MaxiTRANS Industries Limited

A handwritten signature in black ink, appearing to read 'R H Wylie', is positioned above the printed name.

Mr Rob Wylie
Chair