

# Modern Slavery Statement FY2020



This Modern Slavery Statement for the Roy Hill Group is made pursuant to section 14 of the *Modern Slavery Act 2018* (Cth) for the financial year 1 July 2019 - 30 June 2020 (**Statement**).

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### Mandatory criterion 1: Reporting Entity

Roy Hill Holdings Pty Ltd ACN 123 721 077 (ABN 71 123 721 077) is a **reporting entity** as defined in the *Modern Slavery Act 2018* (Cth).

Roy Hill Holdings Pty Ltd is an Australian entity and has consolidated revenue in excess of \$100million during the 1 July 2019 to 30 June 2020 reporting period.

This Statement is made on behalf of all companies forming the Roy Hill Group.

In this Statement, any reference to **Roy Hill or the Roy Hill Group** means Roy Hill Holdings Pty Ltd and its three wholly owned subsidiaries, Roy Hill Iron Ore Pty Ltd ACN 123 722 038 (ABN 18 123 722 038), Roy Hill Infrastructure Pty Ltd ACN 130 249 633 (ABN 60 130 249 633) and Roy Hill Operations Pty Ltd ACN 168 771 355 (ABN 77 168 771 355).

Roy Hill is committed to the highest standards of conduct and ethical behaviour in all its business activities. Roy Hill seeks to maintain a work environment that promotes honest and ethical behaviour.

In line with its obligations under the law, Roy Hill is committed to achieving and ensuring ethical behaviour in its business and with those suppliers with whom it contracts.

Roy Hill recognises the effect of Modern Slavery and how serious exploitation and substandard working conditions or under payment of workers are considered to be illegal practices. Roy Hill also acknowledges that in poorer countries people do willingly work in what Australians would consider substandard working conditions and for under payment, however these people need to work so that they and their families can eat and survive.

Roy Hill opposes the use of Modern Slavery practices and is committed to addressing, as best it can, the risk of Modern Slavery occurring in its operations or by its suppliers.

Roy Hill expects its suppliers and contractors to adhere to the same high standards in their own operations, within reason. Roy Hill expects its suppliers and contractors to ensure that they are not, in any way, involved in Modern Slavery.

This is Roy Hill's first Modern Slavery Statement. During this first reporting period, Roy Hill has commenced the assessment of Modern Slavery risks (which will be a continuous process) and the appropriate response to those risks.

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### **Mandatory criterion 2: About Roy Hill: Structure, Operations and Supply Chains**

#### **Structure**

Each member of the Roy Hill Group is a proprietary limited company.

Roy Hill Iron Ore Pty Ltd, Roy Hill Infrastructure Pty Ltd and Roy Hill Operations Pty Ltd are each 100% owed by Roy Hill Holdings Pty Ltd.

Roy Hill Holdings Pty Ltd is 70% owned by Hanrine Holdings Pty Ltd (being a wholly owned subsidiary of Hancock Prospecting Pty Ltd), 20% owned by KJTC Pty Ltd and 10% owned by POSCO.

Roy Hill's corporate structure is made up of the Roy Hill board of directors, the Executive Team and its operational areas (mine, port, rail and governance).

As at 30 June 2020, the Roy Hill Group employed 2667 employees.

#### **Operations**

The companies forming the Roy Hill Group together own and operate an integrated iron ore mining, port and rail operation in the Pilbara region of West Australia.

Roy Hill produces and sells up to 60million tonnes of iron ore per annum. Roy Hill's iron ore is loaded on to the Roy Hill railway for transport to its purpose built port facility at the port of Port Hedland.

Roy Hill's facilities include high quality accommodation camps for its employees at its mine site and in Port Hedland.

Roy Hill's remote operations centre, corporate headquarters and supply buildings are located at Perth Airport, West Australia. Its registered office is HPPL House, Level 3, 28-42 Ventnor Avenue, West Perth, WA 6005.

Roy Hill has a representative office located in Shanghai which conducts market research and liaises with Chinese steel mills on behalf of Roy Hill.

Roy Hill also owns and operates a cattle farming business on pastoral lease N050622 in the Shire of East Pilbara.

#### **Traditional Owners**

Roy Hill interacts with Traditional Owner groups including Kariyarra, Palyku and Nyiyaparli peoples. Roy Hill works with Traditional Owners to develop employment, training, business opportunities and other benefits for those communities.

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## Roy Hill Community Foundation

Roy Hill is a member of the Roy Hill Community Foundation (**RHCF**) which is a registered charity. The RHCF is a partnership that includes Roy Hill contractors, business partners and suppliers working together to make a lasting difference in the Pilbara region. The RHCF's vision is to build capacity and capability in the communities where members operate. The RHCF invests in Education, Training and Employment, Culture Arts and Enterprise and Health projects.

## Supply Chain

Roy Hill's supply chain includes procurement of goods and services in the following categories: construction, port operations, mining and processing operations, corporate products and services, agricultural goods and sales, rail transportation, shipping and sales to customers.

Roy Hill's sources products and services from Australia and internationally.

As set out in the table below, Roy Hill's suppliers are mainly located within Australia with a much smaller amount obtained internationally.

Country	% Net Value
Australia	88.38%
Singapore	3.12%
Germany	2.80%
Hong Kong	1.86%
British Virgin Islands	1.09%
Switzerland	0.93%
China	0.60%
Malta	0.50%
Netherlands	0.25%
Japan	0.17%
United States	0.08%
United Kingdom	0.07%
Taiwan	0.06%
Canada	0.05%
South Africa	0.01%
Israel	0.01%

Roy Hill's supply chain covers a broad range of goods and services including:

- Construction materials
- Consumables and parts
- Rotable spares
- Fuel

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- Freight and shipping
- Equipment hire
- Spare parts
- Clothing
- Labour, recruitment services
- IT software and hardware and mobile telephones
- Business services, the products that are brought into our offices, for example, furniture, stationery as well as services such as cleaning services
- Agricultural goods and services

Our Commercial teams are responsible for purchasing goods and services for the operations of the business and our Major Projects teams are responsible for procurement of any sustaining capital requirements. At Roy Hill we rely on strong supplier relationships, with companies that share in our values of Lead, Care, Think, Perform. Roy Hill suppliers share in our commitment to health, safety, the environment, communities, integrity and we work together to identify opportunities for innovation and continuous improvement.

The Roy Hill Governance system ensures appropriate systems, risk mitigation and reporting are maintained for Roy Hill to deliver against its commitments.

### **Mandatory Criterion 3: Description of risks of Modern Slavery practices in operations and supply chains of the Roy Hill Group**

Roy Hill is not aware of any Modern Slavery in its operations or supply chains

#### **Modern Slavery risks in operations**

Roy Hill's operations are located in West Australia and our employees include engineers, geologists, technicians, operators and drivers, accountants, administrators, lawyers, heritage specialists, environmental scientists, electricians, shipping and marketing specialists and other professionals.

Our employees are paid in accordance with Roy Hill's remuneration and recruitment policies and any award applicable to that employee's job type.

Roy Hill's workforce is approximately 70% fly in fly out (**FIFO**). Roy Hill understands the challenges that face FIFO workers and works hard to support its FIFO workers so that they can thrive. Not only does Roy Hill provide high quality accommodation services at its mine site and its port, but it also invests time in supporting its staff to make smart health, social and safety choices.

All employees (and their partners and dependants) have access to free counselling through the Roy Hill BSS employee assistance programme. Flu vaccinations are also made available for free to all employees.

Roy Hill also offers its employees outstanding training, industry leading career enrichment programmes and a range of employee support measures.

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Roy Hill is a strong supporter of diversity and it is committed to ensuring everyone is treated with fairness, respect and dignity. Roy Hill is focussed on ensuring equal pay and development opportunities for men and women and eliminating discrimination. Roy Hill also is committed to providing employment and business opportunities for local Indigenous people and we have advisers who work across the business to develop and promote employment and training opportunities for Indigenous people.

These policies and protections, combined with Australia's low ranking in the Global Slavery Index (at position 163), mean that Roy Hill considers that the risk of modern slavery occurring in its operations is low.

### **Modern Slavery risks in supply chain**

Roy Hill's supply chain is broad, complex and of a global nature. Roy Hill has identified that it acquires goods and services from higher risk industries (such as garments, electronics, construction and shipping) and suppliers located in higher risk countries, as identified by the Global Slavery Index.

### **Mandatory Criterion 4: First reporting year: actions to assess and address Modern Slavery risks**

In this first reporting year, Roy Hill took action to identify its Modern Slavery risks by conducting due diligence and by reviewing its policies and procedures.

#### **Due Diligence**

The Roy Hill Group reviewed its supplier spending data in conjunction with the Global Slavery Index to identify suppliers in high risk industries and high risk locations. Suppliers in these high risk industries and high risk locations were identified to be in the first group of suppliers on whom due diligence would be performed.

In addition Roy Hill reviewed the supplier spending data to identify its high value suppliers. These high value suppliers were identified to be the first group of suppliers on whom due diligence would be performed.

Roy Hill's focus in this first reporting period was on identifying high risk areas of its supply chain. Roy Hill is aware that this initial review resulted in a only a proportion of its suppliers being identified for due diligence. Roy Hill will, in future years, broaden the scope of its due diligence so as to more accurately identify any risks of Modern Slavery practices in our supply chain and operations.

Due diligence questionnaires were issued to suppliers after the end of the first reporting period and Roy Hill will report in future reporting periods on the outcomes of its due diligence.

To supplement the due diligence questionnaires, reviews of existing key suppliers were also undertaken during this first reporting period to assess:

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- which of our existing supplier contracts contained the Roy Hill Group standard Modern Slavery contract clause (which was introduced in September 2019) and which contracts would require amendment; and
- publicly available information about suppliers' Modern Slavery policies and practices.

### Procurement and operational procedures and policies

As well as undertaking due diligence, Roy Hill reviewed and prepared policies and processes to address Modern Slavery risks.

Roy Hill developed its:

- Modern Slavery Policy
- Modern Slavery internal Specification
- Modern Slavery Supplier Principles
- Modern Slavery Supplier Questionnaire

Roy Hill's **Modern Slavery Policy** states that Roy Hill opposes the use of Modern Slavery practices and is committed to addressing the risk of modern slavery occurring in its operations or supply chains. Roy Hill also expects its suppliers and contractors to adhere to the same high standards in their own operations and supply chains, within reason.

Roy Hill's **Supplier Principles** will address business integrity, social performance, promotion of policies and whistleblowing.

Roy Hill intends that the Supplier Principles must be accepted by all new suppliers. The Supplier Principles were not published in this first reporting year but in future reporting years, Roy Hill will monitor and report on the acceptance rate by its Suppliers of these principles.

Roy Hill's internal **Specification** provides the framework for Roy Hill's compliance with the *Modern Slavery Act 2018 (Cth)* and for addressing Modern Slavery risks in its operations and supply chains. The Specification sets out:

- accountabilities
- the approach to supply chain mapping and risk assessment
- on-boarding and contracting requirements
- auditing and compliance approach
- training proposals
- confidential internal reporting
- the approach to remediation of any issues arising.

In this first reporting period, Roy Hill also reviewed its:

- tender process to incorporate Modern Slavery due diligence including the Modern Slavery Questionnaire and Supplier Principles;
- supplier on-boarding process to incorporate to incorporate Modern Slavery due diligence including the Modern Slavery Questionnaire and Supplier Principles;



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- existing Modern Slavery standard contract clause; and
- existing Roy Hill Code of Conduct, Standards and Policies for any requirement to revise to include provisions relating to Modern Slavery.

### Impact of COVID-19

COVID-19 presented an enormous challenge to Roy Hill's operations and Roy Hill's focus was "keeping our people safe, keeping our people healthy and keeping production going". COVID-19 had significant impact on our employees, contractors and suppliers.

During COVID-19, operations and employment continued. Safety, health and wellbeing are Roy Hill's top priority. Roy Hill introduced additional measures to support staff, contractors and suppliers including:

- Establishing extended roster allowances
- Amending payment terms for suppliers
- Making the Roy Hill Employee Assistance Program available to our suppliers
- Establishing the Roy Hill call centre help line and making this available to employees and suppliers to address queries or concerns they had in relation to COVID-19
- Extending supplier contracts so as to remove the requirement to negotiate contracts in a time of uncertainty
- Conducting COVID-19 testing; providing masks and hand sanitiser
- Providing regular detailed communications and updates with Government and Health Department information
- Organising temporary relocation of interstate FIFO personnel

### **Mandatory Criterion 5: Description of how Roy Hill assesses the effectiveness of the actions being taken to assess and address Modern Slavery risks**

In this first reporting period, Roy Hill identified that in future Roy Hill will need to undertake two internal audits:

- an internal audit on Roy Hill's compliance with its Modern Slavery internal Specification to identify any areas for improvement; and
- an internal audit on the effectiveness of Roy Hill Modern Slavery processes and policies to assess and address Modern Slavery risks and identify any areas for improvement

Roy Hill will look to continuously improve its approach and management of Modern Slavery risks. Looking ahead, Roy Hill will expand its risk assessment approach and will amend its tender and supplier onboarding processes to incorporate a Modern Slavery risk assessment and the Supplier Principles. Roy Hill will also develop and deliver Modern Slavery training to employees in procurement, projects, human resources as well as the executive team. Training will address what Modern Slavery is, what Roy Hill is doing to address Modern Slavery risks and how employees should report any concerns about Modern Slavery.

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## **Mandatory Criterion 6: Consultation with Roy Hill Group Members**

As outlined in Structure section above, each Roy Hill subsidiary is a wholly owned subsidiary of Roy Hill Holdings Pty Ltd and Roy Hill operates as an integrated group (it also financially reports on a consolidated basis). Policies, processes, systems are all prepared for the Roy Hill Group and applied to the Roy Hill Group consistently. Teams across all parts of the Roy Hill business have been consulted and have had input into this statement (and the formulation of the Roy Hill Group approach to Modern Slavery risks).

## **Mandatory Criterion 7: Relevant information**

Roy Hill representatives have attended (and will continue to attend) seminars conducted by private presenters on Modern Slavery as well as having regard to materials produced by Border Force. Roy Hill will continue to keep apprised with Modern Slavery developments, the Global Slavery Index reports and strive for best practice in relation to, as best it can, identifying, reporting and dealing with instances of Modern Slavery.

This statement has been approved by the boards of the Roy Hill Group.

Signed by

A handwritten signature in blue ink, appearing to read "T. Watroba", written over a horizontal dotted line.

Tadeusz J. Watroba, Director

Date: 31 March 2021

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