



MODERN SLAVERY STATEMENT

HEAD OFFICE

14 Royan Place, Bayswater North, VIC 3153 | P.O. Box 51 Kilsyth, VIC 3137

T (03) 9737 2444. | F (03) 9737 2480

E headoffice@royans.com.au

ABN 17 096 851 580

www.royans.com.au

Contents

1. A message from Our CEO	4
2. Our Statement.....	5
3. Modern Slavery Statement Overview	8
4. Our Structure, Operations and Supply Chains	9
5. Risks of Modern Slavery Practices.....	13
6. Actions taken to Address Modern Slavery Risks	15
7. Assessment of the Actions Taken to Address Risks.....	19
8. Moving Forward – Our Modern Slavery Goals.....	22





1. A message from Our CEO

Our mission at Royans is to remove every possible roadblock to getting our customers back on the road and back to business.

This overarching philosophy guides the decisions we make, the initiatives we introduce, the processes we adopt and the partnerships we foster.

Royans is focused on doing what we can to ethically source the parts, products and services we use in our business. We understand that this will benefit our business, our customers and the people who make the parts, products and services we utilise.

During the FY22 reporting period we bolstered our modern slavery framework by strengthening our policy position, training our team, and improving the transparency we have over our supply chains. In FY23 we will continue this focus by implementing controls in our procurement processes and undertaking further diligence activities for at-risk suppliers.

This statement demonstrates our ongoing commitment to help address the serious global issue of modern slavery. There is still much work to be done, and we will continue to report on our modern slavery framework and the actions we have taken to address this important issue in the future.



David Church
Chief Executive Officer



2. Our Statement

This modern slavery statement, published in accordance with the *Modern Slavery Act 2018* (Cth), sets out the steps taken by Royans Group to identify and address its modern slavery risk over the period 1 July 2021 - 30 June 2022 (FY22).

This joint statement has been prepared on behalf of the following reporting entities:

- Royan Group Holdco Pty Ltd
- Royan Group Midco Pty Ltd
- Royan Group Bidco Pty Ltd

This statement also includes information in relation to the other wholly owned members of the Royans Group, including:

- Royans Melbourne Pty Ltd
- Royan Truck & Trailer Repairs Pty Ltd
- Royans Brisbane Pty Ltd
- Royans Newcastle Pty Ltd
- Royans Wagga Pty Ltd
- Royans Dubbo Pty Ltd
- Royans Wodonga Pty Ltd
- Royans Dandenong Pty Ltd
- Trucking Supplies Bidco Pty Ltd
- Bill O'Brien Smash Repairs Pty Ltd
- TFI Group Pty Ltd
- Royan Group New Zealand Operations Ltd

Royan Group Holdco Pty Ltd, Royan Group Midco Pty Ltd and Royan Group Bidco Pty Ltd, and the entities they own or control, are managed centrally, with shared governance, policies and procedures pertaining to human rights risks. Due to this centralised management structure, a segregated consultation process pertaining to the entities owned or controlled by the reporting entities, and the reporting entities was not required. Each of the reporting entities were engaged with the entities they own or control on an ongoing basis, as part of this amalgamated approach, which greatly facilitated the preparation of this joint statement.

This statement describes our progress during the reporting period, outlines our position, approach and key learnings in relation to modern slavery risk management and seeks to provide readers with a transparent view of our risks, actions and areas for improvement.

This modern slavery statement was approved by the Board of the Royan Group Holdco Pty Ltd as parent entity.

William Andrews
Chair

David Church
Group CEO & Director

23 December 2022





3. Modern Slavery Statement Overview

We have addressed the mandatory criteria detailed in the *Modern Slavery Act 2018* as follows:

Identification of the reporting entity

This is addressed on page 5.

Description of the process of consultation with any entities the reporting entity owns or controls

This is addressed on page 5.

Description of our structure, operations, and supply chain

This is addressed on pages 9 - 12.

Description of the risks of modern slavery practices in our operations and supply chains and any entities we own or control

This is addressed on page 13.

Description of the actions we have taken to assess and address these risks (including due diligence and remediation processes)

This is addressed on pages 15- 18.

How we assess the effectiveness of our actions

This is addressed on page 19.

References to 'our' and 'we' in this Statement are references to the Royans Group.

4. Our Structure, Operations and Supply Chains

Royans Group has over 630 employees in Australia and New Zealand.

The registered office of Royans Group Holdco Pty Ltd is Suite 4, Level 5, 255 George Street, SYDNEY NSW 2000.

Our Services

We provide a range of services for all types of commercial vehicles including:

- truck repairs
- trailer repairs
- bus & coach repairs
- earth moving repairs
- defence equipment repairs
- chassis alignment
- fibreglass repairs
- paint & refinishing
- powder coating
- sandblasting
- fleet imaging & signage
- trailer manufacturing & servicing
- new & used spare parts

Royans are the trusted leaders within the transport industry and currently have the largest branch network in the region, consisting of 29 branches throughout both Australia and New Zealand.







Our Suppliers

During FY22, our focus has been on reviewing our major parts suppliers, with a view to identifying any evidence of modern slavery practices in these operations or supply chains. We have identified that our parts purchases represent approximately 50% of our total procured goods and services across the Royans Group.

We have done a significant amount of work on our review of these suppliers and have set out the details of this process in section 6 of this statement. During FY22 we commenced a parts procurement project and as part of that we sent out an request for proposal (RFP) to all the major original equipment manufacturers (OEM's), which included a section on code of conduct and our focus on implementing a modern slavery policy going forward. We have been focussed during this process on building meaningful partnerships with our suppliers and have provided them with support during this process. We understand that we have a shared responsibility with our suppliers to assess and address modern slavery risks in our operations and supply chains.

We will continue the review of our product supply chain during FY23.

5. Risks of Modern Slavery Practices

Supply Chain Transparency

During FY22 we commenced a desktop review of our supply chain in order to assist us to identify modern slavery risks that may be present in our supply chains. The following indicators were the primary source used to identify and assess potential supplier risk:

- sector and industry risk;
- product and services risk; and
- geographic risk.

Within Royans' supply chains, the following key products and services were identified for further investigation for potential modern slavery risks:

- **Spare parts, consumables and accessories** – supplied by manufacturers with production facilities in regions or countries with high modern slavery risk profiles such as China, Russia, Latin America, Mexico and India;
- **Paint** and coatings;
- **Packaging** for parts;
- **PPE** and team member **uniforms**;
- **Office furniture, IT hardware** and **supplies**;
- **Cleaning** services, **security, construction**, and **freight**.

Our major suppliers are generally internationally recognised companies with their own modern slavery reporting requirements and therefore the risk of modern slavery is considered low. However, during FY23 we will continue to take steps to review the products sourced from our suppliers to identify any related risks.

COVID 19 Associated Risks

We are aware that the risks of modern slavery may have increased across our supply chains due to the ongoing impact of the COVID 19 pandemic. We are also aware that during COVID-19, visits to factories and other supplier checks may have been made more difficult for local Regulators or Governments, which may have increased the risks of modern slavery occurring in our supply chains and operations.



6. Actions taken to Address Modern Slavery Risks

Supplier Review and Audit Processes

We are still developing and implementing our program to assess and address modern slavery risks in our operations and supply chains. We understand that supply chain mapping is critical to the process of identifying and addressing Royans's risk of being linked to modern slavery practices. During FY22, we focussed on mapping and reviewing our major parts suppliers with a view to identifying any evidence of modern slavery practices.

We sent a questionnaire to our major suppliers to ask for relevant information about their business practices, their workers and their own supply chains. This supplier review included questions designed to give Royans a better understanding of the workforce and workplace policies of the businesses that we engage to provide services to support our business.

We took steps to tailor our questions and follow up requests to suppliers based on their risk profile - for example, we did not require some lower risk suppliers to undergo the same review process as suppliers that operate in a higher risk sector. Some of the modern slavery risk related questions we asked suppliers were:

1. Are their workers on short term contracts?
2. What percentage of workers are on short term contracts and what percentage are permanent?
3. If any of the workers that they contract are sourced directly from overseas countries (using labour recruiters) or promised jobs with their business before they come to Australia or New Zealand?
4. If they were aware of any low-skilled migrant workers working in their organisation's supply chains?
5. Does the business have a genuine worker grievance mechanism - where workers can make complaints about their working conditions or wages?

We also asked suppliers to confirm (if they could) that:

- that the business has employment systems, policies and procedures in place to comply with relevant labour laws in Australia or New Zealand;
- all workers are paid their legal pay entitlements, on time and provided with pay slips clearly showing how wages have been calculated and details of any deductions;
- whether their organisation is required to publish a Modern Slavery Statement in accordance with the Modern Slavery Act and that they supply us a copy if available;
- if their organisation has policies and processes to identify, investigate and remedy the risk and any instances of Modern Slavery within their organisation
- that the business provides training to their employees on modern slavery risk factors;
- they will supply us with any current independent audit reports or certification documents that are available to them to demonstrate their compliance with

the relevant requirements set out in SA8000, WRAP, BSCI, SEDEX, SMETA, FRDM, FSLM etc;

- if they conduct any due diligence or screen prospective suppliers for Modern Slavery risks on suppliers; and
- what action their organisation takes if Modern Slavery practices are suspected or discovered.

We are still in the process of collating and reviewing the responses we have received from our suppliers. Many of our major parts suppliers are larger companies that are also required to prepare and submit an annual modern slavery statement. Some of these larger businesses have provided us with their modern slavery related documentation and policies, and we have retained these for our records. This process has been a valuable one for our business, and we will report further on the findings of our supplier review process in our FY23 statement.

During FY22 we also finalised and had the Board approve the **Royans Supplier Code of Conduct** which sets out the minimum standards of ethical and responsible behaviour that Royans expects from its suppliers.

Royans is working with its suppliers and business partners to support them to meet and exceed the minimum requirements outlined in the Code. Royans has also advised suppliers that it will take action if they are not prepared to adhere to this Code (which may involve cancelling or terminating agreements with suppliers and ceasing to do business with suppliers).

The Royans Code of Conduct requires that all suppliers to Royans must:

- agree to take steps to identify and eliminate:
 - slavery or forced servitude of any kind;
 - trafficking in persons;
 - forced labour;
 - debt bondage;
 - labour facilitated by any form of coercion or deception;
 - child labour;in all of the supplier's (and any authorised sub-contactor's) operations and supply chains;
- comply with all relevant local laws and regulations - and where a conflict in law or requirements arises, apply the highest standard;
- adopt and adhere to conditions of employment for workers that ensures non-discrimination, respect and safeguards their rights under local labour laws and regulations;
- provide a safe and healthy workplace - which meets or exceeds the requirements of all relevant health and safety laws or requirements and is designed to prevent accidents or injury to workers;
- ensure that all workers are paid a fair living wage and all legally mandated benefits - which should be at least the minimum wage required by applicable local laws or industry standards;
- ensure workers are not required to work in excess of the number of hours permitted by applicable local law;
- provide transparency in relation to any relevant supply chains and operations - including disclosure to Royans of sources of raw materials, manufacturing sources

- or other information relating to the supply of goods or services - upon request from Royans or its authorised representative;
- provide to Royans (upon request), information regarding sustainability, workforce, country of origin and other information relevant to the provision of services or the manufacture of products that are supplied to Royans;
 - ensure third parties acting on their behalf comply with the Royans Code of Conduct;
 - not enter into transactions with Royans that would create a conflict of interest;
 - not offer excessive gifts or entertainment that would have an adverse effect on Royans's reputation;
 - comply with all applicable local laws and regulations on corruption, bribery, prohibited business practices, competition and antitrust;
 - maintain environmentally responsible and sustainable business practices that comply with all laws and regulations in the countries where the supplier operates; and
 - Comply with all applicable privacy laws and secure confidential information including all personal and sensitive data against unauthorised access or misuse. Where personal information is collected or shared for legitimate business purposes or legal reasons it should be treated with care and protected in accordance with relevant privacy laws and regulations

This Code is in the process of being rolled out to our major suppliers who have been asked to sign and return the Code. At the time of drafting of this statement, the Code has been returned by a significant number of our major parts suppliers. We will continue the process of contacting our other suppliers to have them agree to and sign the Code.

Modern Slavery Training

During FY22 we rolled out online modern slavery training modules for our Executive, Senior Management and Procurement teams. The training modules covered topics including:

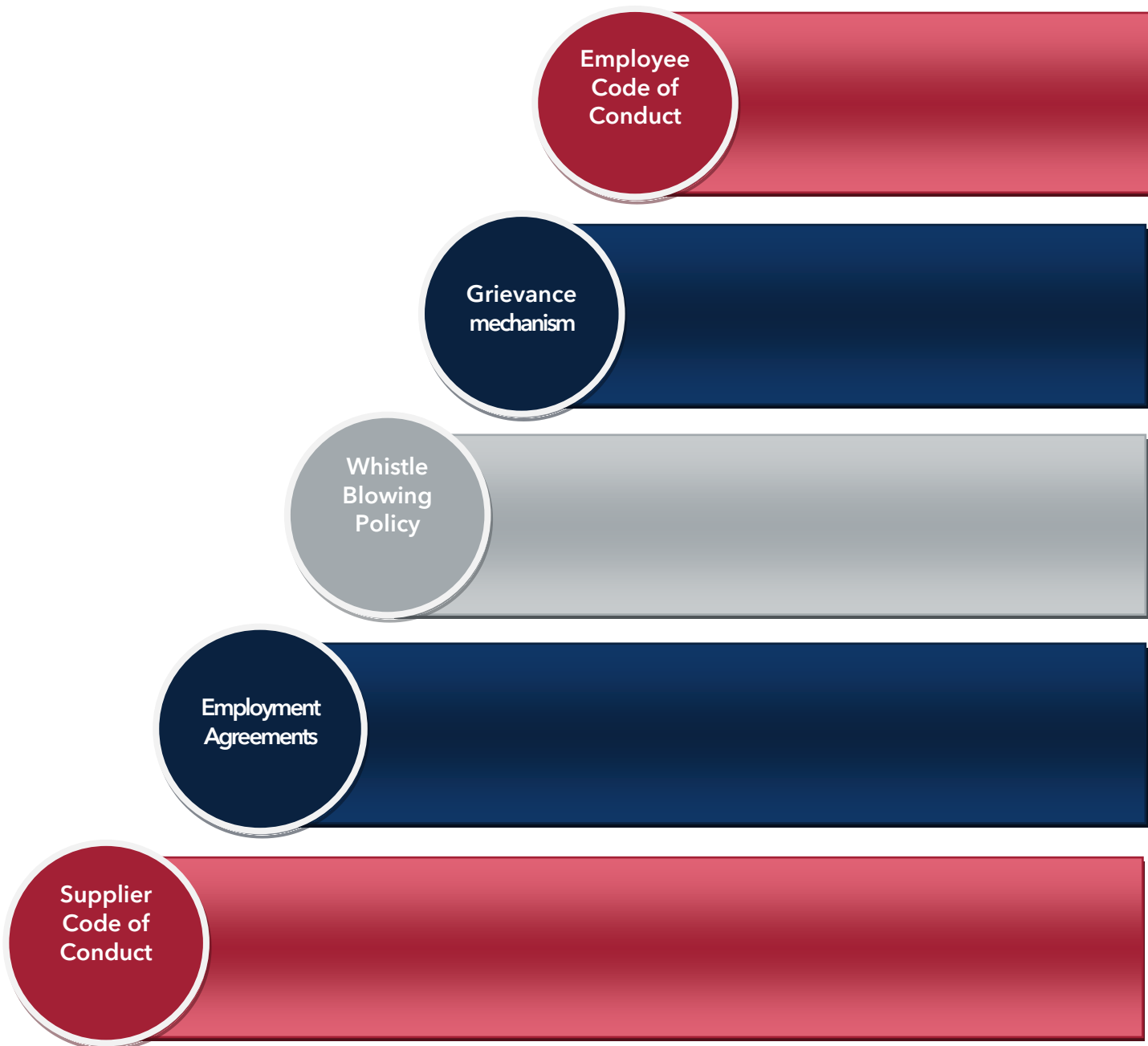
- Understanding modern slavery
- Compliance with modern slavery
- The role procurement employees play in combating modern slavery
- Indicators of modern slavery risks and some practical tips on how to assess for these risks
- The importance of knowing our suppliers and taking a risk-based approach
- Tools that can be used to help mitigate modern slavery risks throughout the procurement cycle
- How to report any concerns

The training also provided our teams with information about the business' reporting obligations under the *Modern Slavery Act 2018* and modern slavery legislation and initiatives around the world.

We will continue to roll this modern slavery training out to our broader team and new starters on a regular basis.

Internal Policies and Processes

During FY22, Royans developed and updated our policies and processes to assist us to manage and mitigate our modern slavery risk. Examples of the policies and procedures which strengthen our control environment pertaining to modern slavery risks are provided below.



7. Assessment of the Actions Taken to Address Risks

During FY22 we developed a set of **Modern Slavery KPIs** to allow us to monitor our efforts to address our modern slavery risks.

1. Provide modern slavery training to Executive, Senior Management and Procurement teams members.

This training module was developed and completed by key employees in the procurement process.

2. Develop a basic Supplier Code of Conduct (Board approved). Provide a copy of the approved Supplier Code of Conduct to major parts suppliers before 31 December 2022.

This Code was developed and approved by the Board and has been rolled out to major suppliers.

3. Conduct a desktop review of Royans suppliers and segment to identify potential risks of modern slavery.

This review was conducted and the details of this process are set out in sections 5 & 6.

4. Identify opportunities to collaborate with groups from existing networks that are focused on the management and eradication of modern slavery.

This process has commenced, and we have identified a range of options and potential collaboration opportunities. We will focus on this process in FY23, with a view to identifying opportunities that suit the size and nature of our business.

5. Prepare our FY22 Modern Slavery Statement for Board approval.





8. Moving Forward – Our Modern Slavery Goals

Royans is committed to taking practical steps where possible to address risks of modern slavery that may be identified in its supply chain. We will develop a set of KPIs to focus our work in FY23, which will include:

Product Supplier Review

We will focus on this review as the next stage of our process, in order to assist us to further identify the modern slavery risks that may be present in our supply chains. We will work to identify and assess potential supplier risk based on sector and industry risk, product and services risk and geographic risk.

Modern Slavery Training

We will further roll out our current training to additional members of the Royans team and any new starters. Training will be rolled out to Branch Management, Parts and Accounts teams in FY23.

Developing Partnerships and Collaborations

During FY23 we will be seeking some collaboration with groups that are focused on the management and eradication of modern slavery. We are aware that it will take involvement with these groups for Royans to be part of the modern slavery solution. We will be focussed on aligning these partnerships with the industry risks and regions that we identify during our product supplier review.