



MODERN SLAVERY STATEMENT

FOR THE YEAR ENDING 30 JUNE 2020

Important Note

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If you have any questions in relation to this Statement, please contact a member of the Legal, Risk and Compliance Department.

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Message from the CEO

The forestry sector contributes to the employment and economic growth of both developed and emerging economies.



Providing a healthy and safe working environment, and respecting human rights are foundational to advancing sustainability within the sector. The COVID-19 pandemic continues to have profound and devastating impacts on all levels of society. It is both an economic and public health crisis that has highlighted the importance of strengthening supply chains and the communities and workers that support them. New Forests considers this an important responsibility of our business to workers and society.

New Forests is committed to the highest standards of ethical business conduct. These standards include ensuring that structures and processes are in place to embed responsible business practices throughout our value chain. Strong governance and upholding integrity in our relationships with stakeholders are key to our approach to combatting modern slavery. New Forests continues to support the Sustainable Development Goals, including as a contributor to the development and implementation of the SDG Roadmap for the Forest Sector¹ which outlines the contributions that the forestry sector could make to the SDGs. Our actions towards SDG 8 *Decent Work and Economic Growth* include promoting a living wage and requiring the investments we manage to comply with the International Labour Organisation and its Core Standards as specified in our Responsible Investment Policy.

New Forests welcomes the Commonwealth Modern Slavery Act as an important step to promote business transparency and report on our progress towards combatting slavery. We endorse efforts to improve supply chain visibility, strengthen controls for human rights risks, and expand access to remedies. We take a zero-tolerance approach to all forms of modern slavery and look forward to creating shared value for investors and communities alike while supporting the 40 million estimated victims of modern slavery globally.

A handwritten signature in black ink, appearing to read 'David Brand'. The signature is fluid and cursive, written over a white background.

David Brand
Director,
New Forests Asset Management

Chief Executive Officer,
New Forests Pty Ltd

This statement was approved by the Board of New Forests Asset Management on 25 March 2021.²

¹ World Business Council for Sustainable Development, Forest Sector SDG Roadmap. Available at: <https://www.wbcsd.org/Sector-Projects/Forest-Solutions-Group/Forest-Sector-SDG-Roadmap>

² The Board of New Forests Asset Management approved this statement on behalf of itself, ANZFOF3 NZ Pty Ltd (Australia), Forestry Investment Trust (FIT) where The Trust Company (Australia) Limited is the Responsible entity and Tasmania Forestry Operating Trust (TFOST) where The Trust Company (PTAL) Limited is the Responsible entity. The directors of ANZFOF3 NZ Pty Ltd (Australia) and the Responsible entities of the trusts did not sign this Statement as all operational matters including procurement is undertaken by New Forests Asset Management. Page 16 of this statement outlines how the internal business units responsible for operations and the Trust Company were consulted on the development of this statement.

Corporate Information

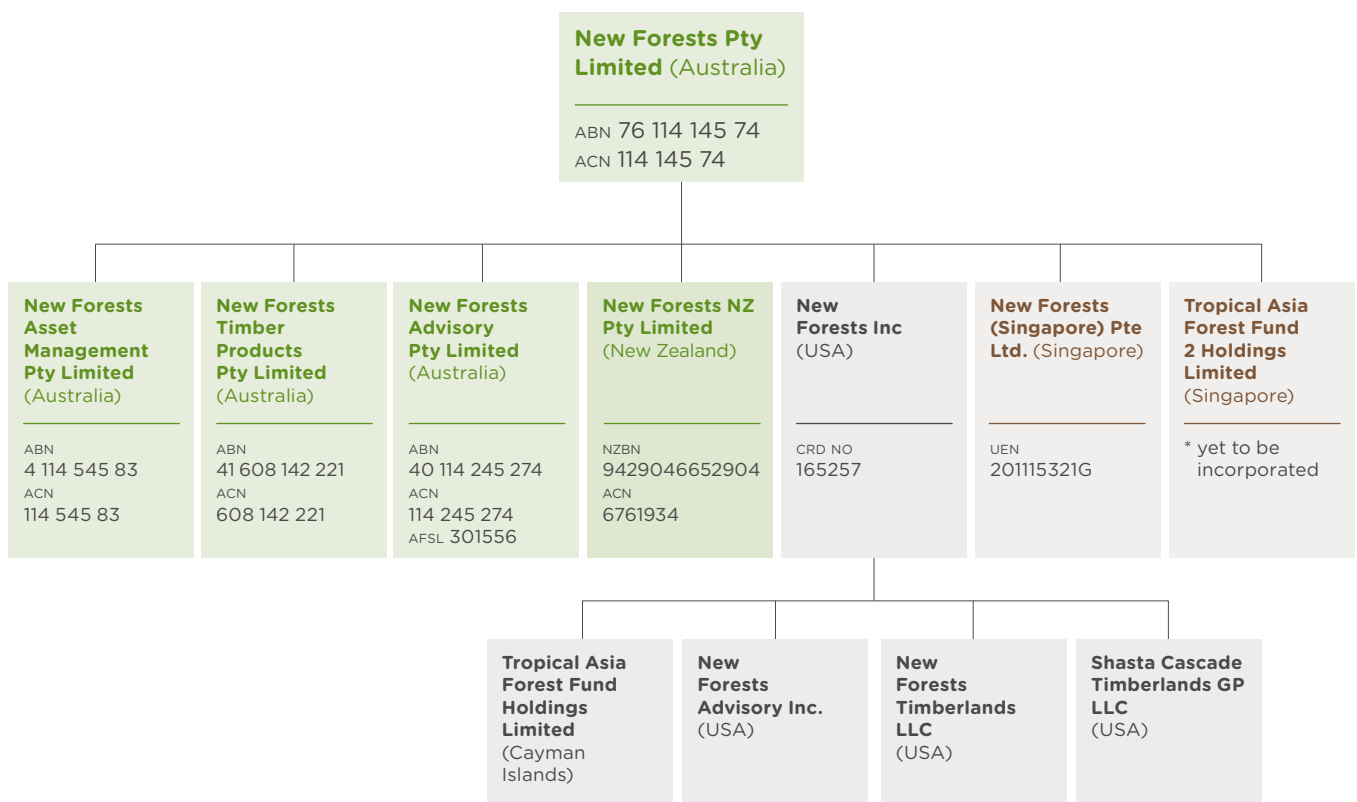
This Statement outlines the actions taken by New Forests Pty Ltd and its controlled entities (New Forests) to identify and prevent modern slavery in its business and supply chains during the financial year ending 30 June 2020.

It has been produced as a joint statement to comply with s.14 of the *Modern Slavery Act 2018* (Cth) (Aust) on behalf of the following reporting entities:

- New Forests Asset Management Pty Ltd (NFAM)³
- ANZFOF3 NZ Pty Ltd (Australia)
- Forestry Investment Trust (FIT) - where The Trust Company (Australia) Limited is the Responsible entity
- Tasmania Forestry Operating Trust (TFOST) - where The Trust Company (PTAL) Limited is the Responsible entity.

This Statement is our first statement for the purposes of the Act and covers the global operations, subsidiaries and suppliers of New Forests. Timberlink Australia Pty Ltd and Forico Pty Ltd are portfolio companies of Australia New Zealand Forest Fund and Australia New Zealand Forest Fund 2, respectively, that are also reporting entities for the purposes of the Act. Both companies have lodged independent Statements with the Australian Border Force which are available on the public register.

New Forests is the holding company of the subsidiaries shown in the figure below:



³ The Modern Slavery risks relating to New Forests are operational matters which are overseen by the Board of New Forests Asset Management (NFAM), as the Manager of our operations. Accordingly, it is not practicable for The Trust Company (Australia) as responsible entity of the Forestry Investment Trust (FIT) and The Trust Company (PTAL) Limited as the Responsible entity of The Tasmania Forestry Operating Trust (TFOST) to sign under s14(2)(d)(i) or (ii). Therefore, this Modern Slavery Statement will be approved under subparagraph 14(2)(d)(iii) of *The Australian Modern Slavery Act 2018* (Cth) by NFAM.

Our Business

New Forests is a specialist investment manager offering leading-edge strategies in forestry, land management, and conservation.

Our investment philosophy recognises that institutional investment can drive both the productive use and long-term stewardship of forests and land. Our clients include institutional investors, such as pension funds, sovereign wealth funds, development finance institutions, as well as family offices and other sophisticated, or qualified, investors.

The New Forests group of companies is led by parent organisation New Forests Pty Ltd and is headquartered in Sydney, Australia. The corporate group includes entities and employees in New Zealand, Singapore, and the United States. New Forests manages and considers investments across Australia, New Zealand, Southeast Asia, and the US. This geographic footprint may expand with new opportunities.

Australia and New Zealand



AUD 5.1 billion

- Australia New Zealand Forest Fund (ANZFF)
- Australia New Zealand Forest Fund 2 (ANZFF2)
- Australia New Zealand Forest Fund 3 (ANZFF3)

Southeast Asia



AUD 210.8 million

- Tropical Asia Forest Fund (TAFF)

United States



AUD 403.9 million

- Forest Carbon Partners (FCP)
- Carbon Forestry Separate Accounts (US Carbon Forestry)

Our Commitment

New Forests is committed to a set of principles and criteria that ensure our investments are aligned with the interests of the communities where we operate and with the needs of our clients as outlined in our Responsible Investment (RI) Policy⁴.

This commitment encompasses a range of criteria including environmental stewardship, human rights, health and safety, employment conditions, and openness and transparency. We do not tolerate modern slavery in any shape or form and actively seek to support the welfare of communities and individuals who may be directly impacted by the investments we manage, including employees, workers, and local communities.

New Forests' staff is composed of over 70 employees across Australia, New Zealand, Singapore and the United States. New Forests abides by national employment standards and all locally applicable region laws and regulations. Employees are remunerated above legal minimum requirements and are free to associate and enter into collective bargaining agreements.

As a member of the World Business Council for Sustainable Development, New Forests recognizes the duty of businesses to respect human rights and to provide access to remedy for victims of business-related abuses. Our commitment to respect human rights is guided by the UN Guiding Principles on Business and Human Rights. We also support the International Labour Organisation (ILO) and its Core Standards, as applicable and where locally ratified.

⁴ New Forests' RI Policy is available here: <https://newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf>

Our Structure, Operations and Supply Chains

New Forests manages investments across six countries: Australia, New Zealand, Indonesia, Laos, Malaysia and the United States.

To service these managed investments, as well as our corporate operations, New Forests has more than 400 suppliers globally. As New Forests' direct operations are primarily office-based, our direct supply chain can be broadly divided into five categories: professional services, business travel, information technology, offices, and property management contracts.

Risks in Direct Operations

The operational management of the investments we manage involves the workforce of our portfolio companies and third-party property

managers. In total more than 5,723 full-time equivalent (FTE) jobs, not including New Forests staff, were involved in the operations of the investments we managed in 2020, of which 3,146 were direct permanent FTEs of the companies and the remainder were subcontracted or temporary employees.

New Forests identified a potential risk area in the use of temporary, migrant and subcontracted labour throughout the forest management cycle, especially related to land preparation, planting, harvesting and log transport. Most of the investments we manage are in countries where

there are strong state protections for workers. Investments we manage and/or third-party managers of those investments may recruit workers from other regions or abroad when there is a shortage in the local workforce. There is a risk that migrant workers may be vulnerable to abusive and fraudulent practices during the recruitment and placement process. This risk area is greater in South-East Asia where there is a heightened geographic risk of trafficking and forced labour.

For example, in Laos, socio-economic and cultural factors contribute to child labour in the



Countries invested:

Australia, New Zealand, Malaysia, Indonesia, Laos, United States



Headquarters in Sydney

Offices in: Melbourne, Mt Maunganui, Singapore, San Francisco

Assets under management:

5.7 billion AUD
794,692
hectares of forests and land



Financial Licenses:

Australian Financial Services License (Australia)
Registered Investment Adviser (US)
Capital Markets Services License (Singapore)



Our clients come from

10 countries

and represent

7.6+ million beneficiaries



25 active clients | **16** fellow PRI signatories

region, particularly in agriculture, forestry and fishing⁵. Mekong Timber Plantations (MTP), New Forests' portfolio company in Laos, engages youth workers above the minimum age for employment. While MTP does not employ underage workers in its direct workforce, there is a risk that children under the age of 15 may be involved informally through plantation management outsourced to contractors. This risk is more likely to occur when MTP has poor contractor management systems that lower visibility and control over working conditions.

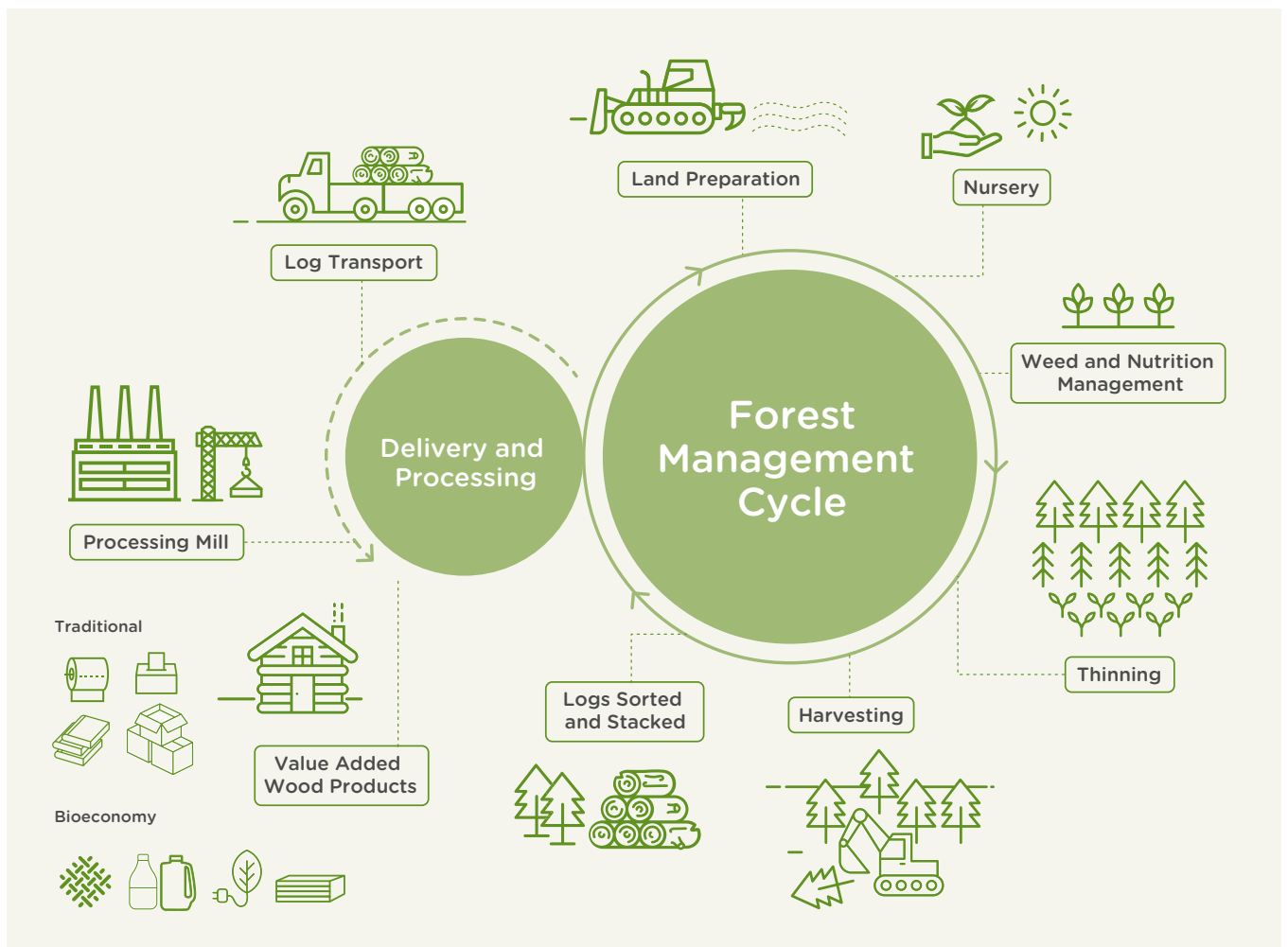
In 2019, New Forests commenced a review of modern slavery risks across its business and investment activities. Gap assessments confirmed that New Forests' Social and Environmental

Management System (SEMS), certification policies and Enterprise Risk Management (ERM) frameworks were key mitigants of potential risks relating to workers' rights and modern slavery.

New Forests brings its values to the governance of managed investments by appointing directors to the boards of portfolio companies. We require portfolio companies and third-party property managers to provide safe and equitable working conditions which comply with internationally recognised labour standards. We also partner with specialist consultants to support the development of business, risk, and Environment, Health and Safety (EHS) monitoring systems. These systems enable portfolio companies to implement controls

that ensure contractors abide by New Forests' social and environmental performance standards, and track compliance across these topics. In addition, portfolio companies have implemented a variety of measures to support vulnerable workers. For example, employment contracts, policies, and procedures, including information on grievance mechanisms, are communicated in the local language to ensure workers are provided with a full understanding of their labour rights.

Our engagement with portfolio companies and property managers did not uncover any incidents of modern slavery at our assets.



⁵ International Labour Organisation, Lao PDR Launches First Labour Force and Child Labour Surveys. Available at https://www.ilo.org/asia/media-centre/news/WCMS_202297/lang--en/index.htm

Young Worker Inclusion at Mekong Timber Plantations

Mekong Timber Plantations (MTP) in Laos implemented a Young Worker Inclusion Program in 2019 in partnership with the Center for Child Rights and Corporate Social Responsibility (CCR CSR), a social enterprise focused on child rights in Asian supply chains.

As the first and only employer-initiated program in the Laos forestry sector aimed at protecting and managing youth workers, the program's mission is to ensure that:

- MTP's impact on youth rights is positive and sustained throughout its forestry operations.
- A robust, sustainable child labour remediation system is established and followed.
- A young worker recruitment procedure is created and implemented.

According to local social norms, young people experiencing poverty need to work to support their families financially; hence, many of them drop out of school. At the same time, despite the legal working age in Laos being 15, many employers will only hire youths over age 18. This contributes to a youth unemployment rate of approximately 41%. When looked at holistically, these factors lead into a vicious cycle of poverty. MTP's young worker policies strive to address this reality by providing safe, specific job opportunities for youth ages 15-17 and holding educational training. Additionally, the policies help prevent possible occurrences of child labour in the MTP operations.

To guarantee a safe work environment, MTP updated its recruitment and management procedures that define the young worker age range, set clear working hours, and mandate a letter from a parent, among other requirements. Similarly, MTP specified acceptable positions, as outlined in its "Guidelines on Young Worker Recruitment" policy. MTP also taught staff the importance of hiring and retaining young workers through regular support, equitable workplaces, rewards and recognition systems, and equal promotion opportunities. Overall, the management training had a significant impact, as staff better understood young workers' unique needs and rights. MTP will continue to review their policies and procedures to ensure young worker safety.

To facilitate young workers' education, MTP established a skill development system to provide training on soft skills, socialising, and other relevant topics, including a "Knowledge, Attitude, and Skills" training for both young people and supervisors as well as an introduction training to discuss development opportunities. The company aims to create a sense of belonging; generate broad understanding of young workers' rights (wages, hours, etc.); and create clear channels for grievances.

MTP aims to provide an environment where young workers can grow and develop skills that help promote their future careers, addressing poverty concerns at a regional scale.



Risks in the Supply Chain

New Forests has taken a staged approach to assessing and addressing modern slavery risks in our supply chain by reviewing our supplier standards and contracts; undertaking a supplier risk assessment; and developing an ongoing risk assessment framework. In this first Statement, we have limited our risk assessment to Tier 1 suppliers, defined as having a direct commercial relationship with New Forests. We plan to expand mapping to Tier 2 suppliers next year.

New Forests performed an initial risk assessment by ranking suppliers with reference to high-risk geographies and sectors. We prioritised our focus on the top 50 suppliers that represented more than 80% of total spend in FY20 (Table 1). These suppliers were invited to complete a self-assessment questionnaire covering potential indicators of modern slavery such as the use of child labour and presence of vulnerable populations. These self-assessments did not uncover any concerns relating to modern slavery.

Table 1 – Percentage of Tier 1 Suppliers by Country in 2020 by Spend

Australia	75%
United States	13%
New Zealand	9%
Hong Kong	3%
Singapore	1%

Our suppliers are mostly domiciled in Australia, New Zealand, Singapore and the United States where the prevalence of modern slavery is estimated to be low⁶. A small percentage of our suppliers are located in Hong Kong, which is categorized on the Tier 2 Watch List in the US Department of State’s Trafficking in Persons report. Our suppliers in Hong Kong consist of professional service firms, a sector deemed to have a lower risk of exposure to modern slavery. Furthermore, our global investment management services are not directly exposed to the high-risk sectors of domestic work, meat processing, cleaning, hospitality and food services as described in the Walk Free Foundation’s Global Slavery Index.

Within our immediate supply chain, the procurement of IT hardware and use of outsourced service providers, such as for office cleaning and facilities management, were identified as potential risk areas. New Forests implemented supplier governance processes including a Supplier Code of Conduct and Third-Party Due Diligence Policy to communicate minimum standards of behaviour with respect to human rights while ensuring third parties have adequate controls against slavery. We also undertook a review of existing contracts and implemented contractual terms against the use of forced and bonded labour. Further actions are described in the *Governance and Remediation* section.

6 Walk Free Foundation, Global Slavery Index 2018. Available at: <https://www.globalslaveryindex.org/2018/data/maps/#prevalence>



Actions to eliminate modern slavery

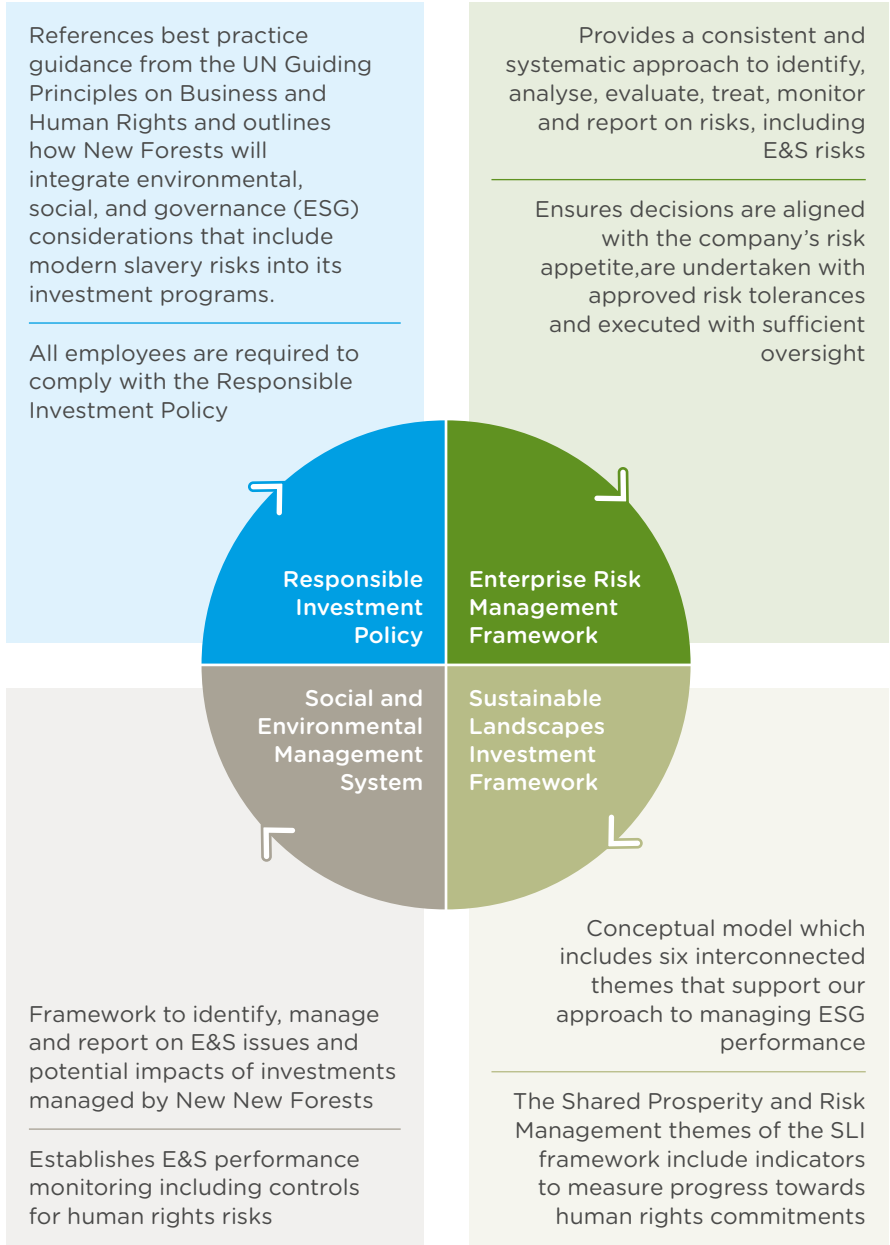
This section describes the actions taken by New Forests to assess and address modern slavery risks, including due diligence and remediation processes.

Forest Certification

Forest certification and verifiable standards are important safeguards for ensuring business systems mitigate against the risk of modern slavery. New Forests has first preference for the standards endorsed by the Forest Stewardship Council (FSC) and/or the Programme for Endorsement of Forest Certification (PEFC). New Forests' policies require all investments we manage to seek to achieve compliance with one or both standards⁶. These third-party certification standards are aligned with the ILO's Core Conventions and contain sections against slavery and other forms of forced or involuntary labour. A total of 81% of harvested timber came from forests certified under the FSC and/or the PEFC, while the remainder originated from assets working towards achieving forest management certification. We also use the IFC Performance Standards as a component of our Environmental and Social (E&S) management activities, particularly for emerging markets investments.

Governance

New Forests is committed to conducting business in a responsible and ethical manner. Our approach to responsible business is implemented through the SEMS and expressed in the Sustainable Landscape Investment (SLI) Framework, a conceptual model which drives sustainability performance in forestry investment. These internal governance frameworks together are administered by the Director of Sustainability and ultimately overseen by the Executive Committee and Board of Directors.



6 Other certification standards may also be used as appropriate

Table 2 – New Forests Organisational Responsibilities

New Forests Role	Responsibilities	Example Activities
Board of Directors of New Forests Pty Limited	<ul style="list-style-type: none"> Oversight of sustainability programs 	<ul style="list-style-type: none"> Approve RI Policy Note SEMS Management Review
Executive Committee	<ul style="list-style-type: none"> Oversight of sustainability programs Sets sustainability goals and strategy 	<ul style="list-style-type: none"> Approve SEMS Policy Manual, SEMS guidance documents, and key procedures Approve Annual Sustainability Report Recommend approval of the RI Policy to the Board
Risk & Compliance Committee	<ul style="list-style-type: none"> Oversight of environmental, social, and governance (ESG) risks and compliance 	<ul style="list-style-type: none"> Review SEMS TriLine reporting and Management Review Sign-off on significant variances to SEMS obligations or processes if related to an ESG risk, once approved by the relevant Management Committee Approve SEMS Declaration Documents
Management Committee(s)	<ul style="list-style-type: none"> Oversight of ESG management 	<ul style="list-style-type: none"> Approve significant variances to SEMS obligations or processes for assets under management
Sustainability Team	<p>Director, Sustainability</p> <ul style="list-style-type: none"> Provide guidance to Board, committees, and staff on ESG issues, including strategic management Monitor ESG performance and report on ESG performance to senior management at least annually Oversee internal SEMS audit Propose updates to the RI Policy <p>SEMS Administrator</p> <ul style="list-style-type: none"> Administer the SEMS Maintain controlled documents in support of the SEMS Ensure the SEMS is compliant with the ISO 14001:2015 standard Track SEMS-related trainings for staff and external managers Conduct and/or facilitate internal SEMS audit 	<ul style="list-style-type: none"> Internal sign-off on investments from ESG risk and management perspective Recommend variances to SEMS compliance to committees as needed Issue SEMS documents for approval to committees Approve changes to the SLI framework Provide SEMS trainings Provide RI Policy trainings
Portfolio Management (including Investments, Operations, and Investment Analytics)	<ul style="list-style-type: none"> Designate ESG management strategies and ensure implementation of ESG management within investment programs Comply with SEMS, Declaration Documents, and the RI Policy ESG assessments in due diligence, appraisal, and operational asset management ESG implementation support to third parties Ensure the SLI framework is being integrated and applied 	<ul style="list-style-type: none"> Delegate to third parties with control over ESG related activities Delegate to investments and operations staff, or others as necessary, for matters related to day-to-day ESG management

The SEMS is New Forests' framework to systematically identify, manage, and report on E&S issues and potential impacts of investments managed by New Forests by:

- Establishing a consistent approach to E&S management across all investment management activities;
- Providing the systems for E&S performance monitoring and identifying areas for corrective action;
- Providing management controls to ensure corrective actions are taken that lead to continual improvement in performance; and
- Requiring a biennial Management Review and New Forests' Board-level oversight of the system.

New Forests' SEMS also includes implementation requirements for operational controls, monitoring, and reporting systems for the E&S performance of managed investments. The SEMS and SLI Frameworks, together with the RI Policy and ERM Framework, bring together all the components necessary to manage and monitor progress towards combatting slavery.

The following policies and procedures support the management of broader human rights risks across our business and supply chains.

- New Forests' **Code of Conduct** establishes ethical and responsible decision making by employees. The Code of Conduct stipulates minimum standards of behaviour to which all employees, contractors and directors are required to maintain.

- New Forests' **Anti-Bribery and Corruption Policy** outlines our 'zero tolerance' with respect to bribery and corruption. Bribery and corruption, especially in supply chains, are risks that have contributed to the spread of modern slavery around the world. Without corrupt activity, including the acceptance of bribes, many of the conditions that lead or influence the extent of modern slavery may not exist.
- Our **RI Policy** references best practice guidance from the UN Guiding Principles on Business and Human Rights and outlines how New Forests will integrate ESG considerations that include modern slavery risks into its investment programs. New Forests conducts detailed ESG risk assessment during the due diligence process to determine whether proposed investments meet required ESG thresholds, which are established through New Forests' corporate risk appetite statement as set by its Board of Directors and through the governing and legal documents of investment products, such as Limited Partnership Agreements, side letters, and exclusion lists. New Forests does not tolerate high levels of risk in ESG areas including modern slavery, child labour, and/or the physical or economic displacement of local communities. If one of these ESG topics is identified in a target asset, New Forests will assess if it can be reversed and/or remedied through active management; if not, New Forests may choose not to invest. We require all our employees and investments to operate in line with our RI Policy.
- Our **Whistleblowing Program** is an integral part of the firm's approach to conducting business with integrity. Our Group Whistleblowing Policy covers protections and support available to whistleblowers, and how the company will investigate disclosures. New Forests has a dedicated Whistleblowing Protection Officer who can be contacted when an employee, consultant, director or contractor suspects or is aware of illegal, unsafe or inappropriate activity at work. Our Whistleblowing Program includes a nominated pathway for a supplier or worker to raise concerns through the Your Call whistleblowing service, an anonymous and confidential hotline managed by an independent third party. In FY20, there were no reports of slavery or human rights violations through the whistleblower service.
- The **Complaints Handling Procedure** is utilised for all internal and external complaints at New Forests. The procedure outlines the role of the Complaints Handling Officer and the process for the management of a complaint from receipt to resolution, including recordkeeping and mitigation.
- New Forests has developed a **Third-Party Due Diligence Policy** that will be submitted to our Board of Directors for consideration in 2021. The Policy includes a third-party risk assessment process based on a tiered risk assessment process that determines the level of due diligence to be undertaken. Key criteria used to determine the level of due diligence is based upon a scoring system that includes reference to the service or product category, the geographical location and the contract value of each third party. It also considers the third party's relationships with government and its history of business conduct and integrity.

Due Diligence

New Forests performs pre-contractual due diligence on potential counterparties to identify risks to our business integrity standards, including human rights.

All potential business relationships including agents, contractors suppliers, and outsourced service providers are subject to a screening process that assesses corruption and human rights risk factors. Human rights risk factors outlined in New Forests' Third-Party Due Diligence Policy include allegations of unethical practices relating to employment conditions, breaches of laws, and complaints on public media forums. Depending on the nature of the risks, New Forests may require additional due diligence or risk mitigation steps. No **third party** will be approved until these risks have been adequately addressed.

The Third-Party Due Diligence Policy applies to all outsourced arrangements and includes monitoring of the service provider's ability to commit to New Forests' business integrity standards. New Forests will undertake a review of all service providers and report annually to the Risk and Compliance Committee on the risks of outsourcing with respect to human rights.

Going forward, New Forests will require third parties to complete a Third-Party Due Diligence Questionnaire and abide by our Supplier Code of Conduct.

The Code is aligned with the UN Guiding Principles on Business and Human Rights and prohibits the use of forced and bonded labour by our suppliers, third party property managers and their sub-contractors. All suppliers must comply with the Code and relevant laws and regulations as a condition of the business relationship.



Remediation

New Forests' approach to remediation is based on whether New Forests has caused or contributed to modern slavery.

Where modern slavery is identified in the investments we manage, New Forests will work collaboratively with internal stakeholders and/or contractors to address the root causes. New Forests supports training programs that build knowledge of E&S performance standards and the capacity to achieve and sustain their compliance over time. If human rights violations are identified in the supply chain, New Forests will investigate the supplier and request evidence of controls and remedial actions. New Forests may recommend controls and remedies where it has a high degree of influence over the supplier. New Forests may terminate business relationships if the supplier fails to meet our standards for responsible business conduct.

We recognise that reports of modern slavery concerns may be raised directly by suppliers, by our employees, by third parties, or anonymously via our Your Call whistleblowing service. We are committed to investigating any reported concerns or incidents, and if those concerns are substantiated, taking appropriate steps to address the issues raised. We are also committed to maintaining the integrity of the reporting and investigation processes through our formal complaints handling procedure. All substantiated incidents of modern slavery will be formally documented, investigated and reported to our Legal, Risk and Compliance team, and at least quarterly to our Risk and Compliance Committee and ultimately to our Board. We are committed to ensuring that our responses are time bound and referred to the appropriate authorities, if applicable.

Capacity Training of Independent Contractors

In 2019, New Forests implemented a series of training sessions to help support local businesses providing contract-based services to MTP in developing the required skills and expertise to meet their compliance and business objectives. Funding of the project was sourced from the Dutch development bank (FMO) and the US Agency for International Development (USAID) as well as contributions from MTP. A leading forestry training firm from South Africa, the CMO Group, designed the course content and recruited consultants to conduct training sessions.

The course was broken into several modules covering a range of topics including Microsoft Excel, human resources management, forest certification, and compliance as well as silviculture and harvesting operations management.



Assessing Effectiveness

New Forests implements monitoring, compliance, and reporting mechanisms that support our understanding of the effectiveness of our commitments to human rights and to eliminating modern slavery.

Key aspects include:

- Regular risk review within the ERM, taking place at New Forests' business, fund, and investment levels.
- Incident reporting within ERM, with oversight by the Risk & Compliance Committee to ensure all incidents are investigated, corrective actions are implemented, and, where possible, that preventive actions are implemented.
- Requirements for ad hoc and immediate reporting on material E&S incidents by property managers and portfolio companies.
- Regular staff attestations of compliance and accurate reporting of material E&S incidents.

- Regular reporting to Management Committees and clients on material E&S incidents.
- Bi-annual SEMS Management Review, which includes review of emerging and changing E&S risks, E&S performance, and compliance with external benchmarks and commitments.

The above mechanisms inform New Forests' assessment of effectiveness of processes to identify, mitigate and remedy negative E&S impacts, including relating to modern slavery. In addition to the information and data provided from the above, New Forests also uses quantitative indicators from its SLI framework and compliance systems to measure performance, including: the number of incident and grievance reports received, the financial value of collaborative industry development

initiatives, timeliness of governance and management reporting, the completeness of employee development and training, and the percentage of on time code of conduct attestations.

All production forestry assets are subject to third-party certification requirements that include regular audits of key ESG issues in each asset. New Forests' internal compliance processes also require quarterly and annual reviews of asset-level compliance with ESG requirements and fund-level review of significant ESG matters. In determining the timing and scope of future modern slavery assessments, we will consider changes to our modern slavery framework, the performance of key processes, any risk exposures, evolving trends and best practice.



Consultation and Engagement

This section describes the process of consultation with any entities the reporting entity owns or controls.

New Forests' Modern Slavery Compliance Program incorporates the systems, policies and procedures that are applicable to all New Forests entities. This statement was prepared with input from investee companies and internal business units including Legal, Risk and Compliance, Operations, Investor Services and Sustainability and

Communications. The directors of all reporting entities including the Trust Company were consulted and provided with an opportunity to review the Statement prior to Board approval.

Next Steps

New Forests is committed to community development by providing stable and safe work opportunities and by supporting local economies through locally focused hiring practices and support for local supply chains. Our focus areas for FY21 include:

New Forests Role	Responsibilities
Developing a Human Rights Policy	Deployment of a Human Rights Policy and Procedure in line with the UN Guiding Principles on Business and Human Rights
Developing a Supplier Code of Conduct	Implementation of the Code that outlines our expectations of suppliers regarding human rights issues. Standard commercial agreement templates have also been revised to align with the Supplier Code regarding anti-slavery provisions
Supplier Risk Mapping	Expanding supplier risk mapping beyond Tier 1 suppliers Requiring all new suppliers to complete a Self-Assessment Questionnaire
Supplier Due Diligence	Implementing a centralised risk assessment and approval process for all new contracts Acknowledgement of New Forests' Supplier Code of Conduct by existing contractors and third parties
Modern Slavery Training	All employees involved in high-risk areas such as procurement and operations to complete training on identifying modern slavery, risk factors and escalation protocols
Benchmarking	Utilizing third party due diligence tools such as Ethixbase to monitor progress towards anti-slavery goals
Promoting a Living Wage	Tracking progress towards a living wage over time and publicly report on the percent of the investments we manage that supply a living wage.
Monitoring Suppliers	Perform ongoing reviews of operational compliance with human rights commitments through desktop screening and supplier engagement
Partnerships	Explore partnerships with Industry Groups and Civil Society Organisations to support continuous improvements on anti-slavery and human rights commitments

Addressing the Modern Slavery Act's mandatory reporting criteria

Modern Slavery Act Mandatory Reporting Criteria	Reference in this Statement	Sections Addressing Criterion
Identify the Reporting Entity	p. 3.	<ul style="list-style-type: none"> Corporate Information
Describe the reporting entity's structure, operations, and supply chains	pp. 3–6.	<ul style="list-style-type: none"> Our Business Our Structure, Operations and Supply Chains
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	pp. 6–9.	<ul style="list-style-type: none"> Risks in Direct Operations Risks in Supply Chains
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	pp. 10–14.	<ul style="list-style-type: none"> Actions to Eliminate Modern Slavery Due Diligence Remediation
Describe how the reporting entity assesses the effectiveness of such actions	p. 15.	<ul style="list-style-type: none"> Assessing Effectiveness
Describe the process of consultation with (i) any entities the reporting entity owns or controls; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement	p. 16.	<ul style="list-style-type: none"> Consultation and Engagement
Include any other information that the reporting entity, or the entity giving the statement considers relevant	p. 16.	<ul style="list-style-type: none"> Next Steps



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