

Tilling Timber Modern Slavery Statement

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018 No. 153, 2018*.

Statement

Tilling Timber Pty Ltd is pleased to be making its first modern slavery statement and recognise our responsibility to continue to educate ourselves further on our operations and supply chain and any associated risks, whilst building an approach that combats slavery and human trafficking.

This statement describes the action Tilling Timber has taken to minimize the risks of modern slavery occurring in our operations and supply chains.

Tilling Timber opposes modern slavery in all forms and is committed to the highest standards of ethical behaviour and conduct in our business activities, and to promoting a culture of honest behaviour, compliance, governance, and due diligence. This statement is made in accordance with the Australian Modern Slavery Act 2018 (Cth).

Reporting Entities

This is the Tilling Group's first Modern Slavery Statement; the reporting period is the financial year ending **30 June 2023**.

Tilling Timber is a privately owned company, ABN 92 004 621.

Structure

Tilling Timber was established in 1963 and has established itself as one of Australia's largest importers of engineered wood products and western red cedar.

The Tilling Group employs 220 team members across Australia and Vietnam in the current reporting period.

The Tilling Group's Head Office is in Kilsyth, Victoria and we have sales offices and distribution warehouses in each state of Australia.

- Crestmead, Queensland.
- Mt Druitt, New South Wales.
- Kilsyth, Victoria (including Head Office).
- Edinburgh, South Australia.
- Forrestdale, Western Australia.

The Tilling Group has a representative office in Vietnam, Ho Chi Minh City.

Our Approach

Tilling Timber's approach to Modern Slavery is to continue to develop and improve our processes by monitoring, reviewing, and ongoing reporting.

Tilling Timber seeks to engage fairly with suppliers, to source ethically and sustainably, and to advance the understanding of and respect for human rights in our operations and supply chains.

As directed by the leadership of our business, our teams work with our suppliers and other stakeholders to identify, assess, manage, and mitigate modern slavery risks.

Our Operations

All Tilling employees are provided a healthy and safe working environment to work on premises. Our employees may freely discuss and negotiate employment conditions and we have established communication pathways for employees and suppliers to disclose misconduct without recrimination.

We believe there is no risk of modern slavery in our directly employed workforce in Australia, as the labour market is highly regulated and strict employment regulations apply.

In Vietnam, we operate a robust recruitment policy to ensure that we are conducting business in an ethical and transparent manner, and to safeguard all our employees against human trafficking or individuals being forced to work against their will.

Our Supply Chain

Tilling Timber primarily imports from international suppliers for our engineered wood products, pine framing, and cedar, and we purchase within Australia for Tasmanian oak products.

We distribute our products on a wholesale basis only, through our national network of sales offices and distribution warehouses. We utilise local freight providers for the distribution of engineered wood products as well as aesthetic products part of our Architectural range which includes our cedar and Tasmanian oak products.

We have suppliers producing goods in Australia, Canada, China, Estonia, USA, Malaysia, and Vietnam, and our suppliers are subject to the Illegal Logging Prohibition Act 2012. As part of the requirements of this Act, we can track all materials back to the original source.

We understand that strong supplier relationships are essential to our long-term success, through our actions, in cooperation with our suppliers, supplier visits, and by understanding how our supplier's businesses operate we can reduce the risk of modern slavery and believe that the risk with our current supply chain is low.

We seek to partner with suppliers who share our values including respect for human rights. When engaging new suppliers, we conduct due diligence to assess risks including the risk of modern slavery.

Our Risk & Due Diligence

The key areas of modern slavery risks have been identified in our supply chain:

1. Sourcing product directly from international suppliers.
2. Sourcing product and consumables from local wholesale/retail/distributors.

Tilling Timber assesses its overall risk to modern slavery as being low, where no risk in our direct supply chain has been identified, and we will continue to implement programs to address potential risk based on each key area outlined.

We assess the risk of modern slavery taking place in our business by identifying and managing any areas of concern within our business operations, any suppliers, and our supply chain. We have taken the following actions to manage that risk:

- All our suppliers complete a mandatory annual Modern Slavery Questionnaire.
- Purchasing, where possible, fair trade certified consumables; and
- We visit all our international suppliers annually and ask the same questions directly to the staff, without the presence of management.
- Partnering with suppliers who hold either a PEFC (Programme for the Endorsement of Forest Certification) or FSC (Forest Stewardship Council).

Due to sourcing products directly from international suppliers, we understand there may be a heightened risk that our business be indirectly linked to modern slavery as a result of the geographical location of some suppliers. Our due diligence process on Modern Slavery has provided greater visibility, and we underpin this by asking direct questions of all our suppliers, local and international.

1. "Do you pay all your staff the Government mandated minimum wage for your country?"
2. "If your staff no longer want to work for your business, are they allowed to leave unimpeded?"

To date, all our suppliers (100%) have completed the questionnaire for FY23, 58% of suppliers have policies in place, and 76% have a risk assessment process and supplier due diligence programs. We have room to improve on these percentages, and it has helped identify areas to focus on. Tilling Timber will continue to have a dedicated due diligence process, all new suppliers onboarded, will be risk assessed for Modern Slavery after completing the Modern Slavery Questionnaire.

This information will form part of Tilling Timbers 2024 Modern Slavery Action Plan, which will include ongoing actions to work with suppliers and improve the integrity of supply chains over time. The Global Slavery Index (GSI) has helped us identify which supply chains carry the most risk. We have used this information to add to our 2024 Modern Slavery Action Plan, to provide further detail and help build a more robust strategy for our due diligence across our supply chain.

Tilling Timber holds a PEFC certification, and we recognise that both PEFC/FSC schemes are underpinned by social and ethical standards as part of their core principles. The PEFC standard sets compliance requirements in regard to social, health and safety requirements. This commitment is echoed in our own self declaration to support these standards. We are encouraging all our suppliers to be PEFC certified, and to share our stance social and ethical standards including modern slavery.

Our Governance

We are committed to undertaking our due diligence processes when contracting with external suppliers and to identifying and assessing any indications of supply chains being of high risk. We will not work with high-risk suppliers and our standards will not be compromised.

We are committed to ensuring our employees have a healthy understanding and respect for how their choices can have far-reaching impacts upon basic human rights across the globe.

All our external staff are instructed to advise Tilling Senior Management if they see actions, whilst on a supplier or customer site, that could contravene the Modern Slavery Act. Tilling Senior Management will then approach said business asking direct questions as stated previously.

Tilling Timber Pty Ltd have not identified any modern slavery instances within our partnered suppliers' businesses as a result of our questionnaire or direct questioning. We believe that if risks exist, it is beyond our supply chain.

We will continue to identify and evaluate risks relating to human rights and develop our policies, procedures to help combat modern slavery.

In summary, our review included the following activities:

- Publication of our Modern Slavery Policy.
- Update Tilling Timbers 2024 Modern Slavery Action Plan.
- Update of our Modern Slavery Supplier Questionnaire and maintenance of our declarations databases.
- Review our International Supply Chain Security Risk Assessment to ensure inclusion of modern slavery clauses.
- Strengthen supplier relationships and continue to ask questions of suppliers with regards to human rights policies.
- Continued review of the Global Slavery Index (GSI).

Future Development

In our upcoming reporting year, Tilling Timber aim to continue to revise and develop our approach to modern slavery compliance to further develop capacity within our business to act on modern slavery risks.

Initiatives we are looking to develop in FY23/24 are:

- Modern Slavery tutorials for employees loaded on our company intranet.
- Further development of Modern Slavery questionnaires, to maintain effectiveness.
- Develop an audit program for high-risk suppliers.
- A regular internal audit process for supplier compliance.

Approval

Tilling Timber Pty Ltd makes this statement in accordance with the Modern Slavery Act 2018 (Cth).

Signed by

Glenn Tilling
Managing Director



Signatures

Adrian Robertson
Chief Executive Officer



This Modern Slavery Statement was approved by the principal governing body for the reporting entity, being the Board of Directors of Tilling Timber Pty Ltd on the 31st of October 2023.

Signed and dated by Glenn Tilling, Managing Director, as the responsible member of the reporting entity.

Tilling Timber Pty Ltd does not own or control any other entities.