



Modern Slavery Statement

Associated Kiln Driers Pty Ltd

(ACN 004 341 048)

Reporting Period (1 July 2021 – 30 June 2022)

Registered Office:

15 Forest Street

Colac, Victoria, 3250, Australia

Associated Kiln Driers Pty Ltd - Modern Slavery Statement Financial Year Ending 30 June 2022

1. Introduction

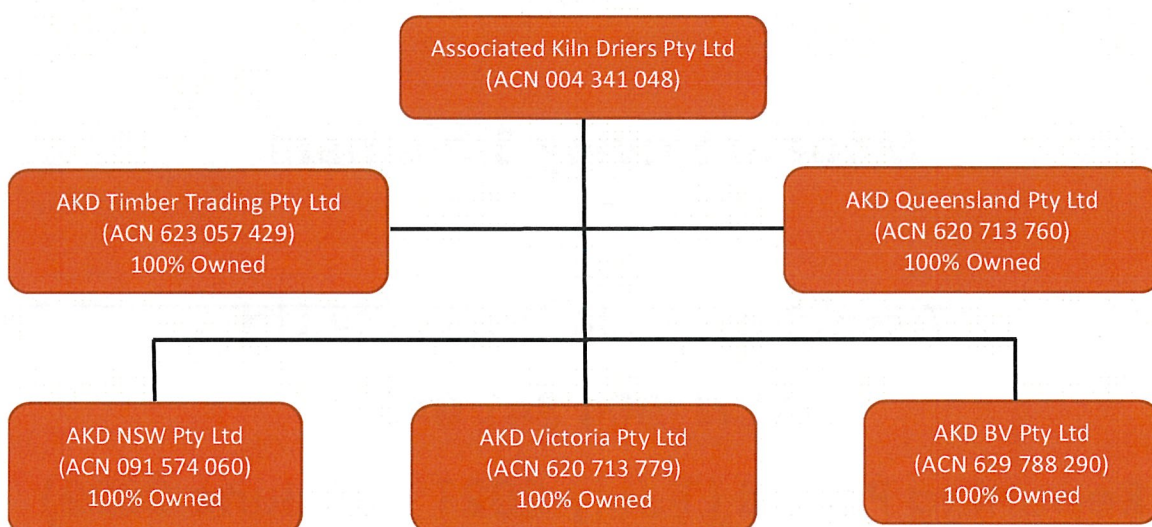
This Modern Slavery Statement ("Statement") has been prepared by Associated Kiln Driers Pty Ltd ("AKD"), ACN 004 341 048 and its subsidiary reporting entities in accordance with the *Modern Slavery Act 2018 (Cth)* for the reporting period 1 July 2021 to 30 June 2022.

The statement outlines AKD's approach to ensuring it has a robust framework and processes in place to minimise the risk of Modern Slavery in its business operations and supply chain.

2. AKD's Structure

AKD is a 100% Australian owned and operated integrated forestry and timber processing company with operations in Victoria, New South Wales, and Queensland.

AKD's operating structure, including all entities required to report in accordance with the Act, is set out below:



The AKD group also includes the following 100% owned subsidiaries which do not meet the reporting threshold for the ACT:

- Portland Pine Products Pty Ltd (ACN 004 485 992)
- Guildtown Pty Ltd (ACN 007 264 280)
- AKD Oberon Pty Ltd (ACN 000 043 023)

This statement applies to all entities listed above and all entities have been consulted in the development of this statement.

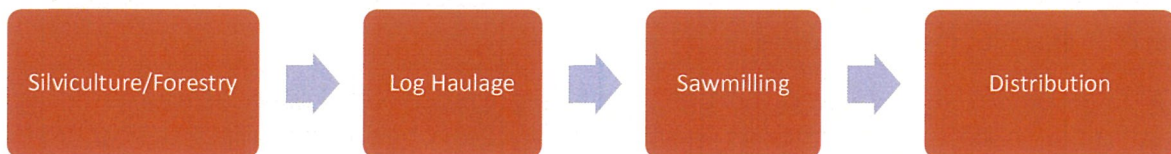
3. AKD's Operations and Supply Chain

AKD operates on the east coast of Australia, processing domestically grown sawlogs and supplying timber products to Australian customers. AKD has eight processing sites, located in the following locations:

- Colac, Victoria
- Irrewarra, Victoria
- Yarram, Victoria
- Portland, Victoria
- Traralgon, Victoria
- Tumut, NSW
- Oberon, NSW
- Caboolture, Queensland

AKD employs 1,100 plus employees across Australia. No employees are on temporary work visas. AKD recruits' employees directly and does not engage labour providers or agencies for employee recruitment. Conditions for AKD employees at its timber processing plants are contained in enterprise bargaining agreements, covering wages, overtime, allowances, leave and redundancies. The enterprise bargaining agreements have been negotiated with the CFMEU, AMWU other site unions and the site Employee Consultative Committee's and are registered with the Fair Work Commission. Other employees are employed under individual employment contracts.

The AKD supply chain is represented below:



AKD has reviewed the number of active suppliers it conducts business in the reporting period and now has over 1200 active suppliers with 97% of these based in Australia which it sources a range of goods and services for the growing, harvesting, processing and distribution of timber to its customers in Australia.

AKD's 29 active overseas suppliers are based in the following regions:

- | | |
|----------------------------|----|
| • New Zealand | 12 |
| • United States of America | 6 |
| • Canada | 5 |
| • Europe | 6 |

These suppliers provide specialist plant, equipment, and associated spares and technical services, for the processing of timber.

4. Assessment of Modern Slavery Risks

AKD does not purchase goods or services from any suppliers who are based in countries that have been deemed high risk for modern slavery purposes. Therefore, the Geographic risks are low for AKD.

As an industry or sector the Australian forestry and timber processing industry is also low risk, with no indicators of modern slavery present within the industry locally.

AKD conducted a full risk assessment using the guidelines and criteria contained in *Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities* which concluded that AKD's activities are relatively low risk from a modern slavery perspective, considering Industry, Product, Geographic, and Entity risks.

AKD is exposed to potential risk through:

1. Sourcing product directly from overseas suppliers (e.g. plant and equipment and asset spare parts).
2. Sourcing from multinationals with a local presence e.g. timber treatment chemicals.
3. Local retailer/distributors sourcing products from overseas e.g. uniforms and IT equipment.

No AKD supplier is located in a country identified as a high prevalence of modern slavery or vulnerability to modern slavery.¹

5. Actions Taken to address risks – current reporting period

5.1 Supplier Questionnaires

AKD engages its suppliers through contracts, goods and services agreements, purchase orders and standard terms. During the current reporting period, AKD surveyed all strategic suppliers and a sample of new suppliers onboarded through the reporting period to assess exposure to modern slavery risks with consideration to the Global Modern Slavery Index.

Over 130 new Australian suppliers were engaged during 2021/22 for:

- One off purchases of goods and services.
- Occasional purchases of low volume items.
- One off capital expenditure purchases.

Common responses received from suppliers in questionnaires included:

- Suppliers do not provide AKD with goods or components sourced from countries where risks of modern slavery and human trafficking are high.
- Suppliers that work with labour providers have service level agreements in place outlining their labour sourcing responsibilities.
- Suppliers have mechanisms in place for employees and contractors to raise concerns related to labour conditions.
- Suppliers have policies and procedures in place to identify, investigate and remediate risks of instances of modern slavery within their workplaces.

¹ The Global Slavery Index 2018, Walk Free Foundation

- Suppliers provide employees with employment contracts or contractors are provided with documentation that outlines the terms of employment, including wage rates and working hours.
- Supplier employees or contracted workers are free to lawfully resign their employment without restriction or penalty.

The survey responses supported AKD's assessment that the group's exposure to key Modern Slavery risks via the operations, practices and behaviours of suppliers is low.

6. Actions in the Next Reporting Period

The following actions will be completed during 2022-2023, prior to submission of the Modern Slavery Statement for the 2023 Financial Year.

AKD will continue:

- Utilising AKD's modern slavery questionnaire for new suppliers onboarded in FY23 to assess exposure to key Modern Slavery risks as part of onboarding.
- Utilising AKD's modern Slavery questionnaire to assess exposure to Modern Slavery risks from existing strategic suppliers (staged).
- Access the Australian Border Force's Online Modern Slavery Register to review new supplier modern slavery statements and to identify whether suppliers have registered modern slavery statements.

7. How AKD will assess the effectiveness of such actions

Questionnaire responses show suppliers follow requirements of the Modern Slavery Act 2018 (Cth) and also Fair Work Commission regarding employment conditions and that no supplier sources goods or components from countries where the risks of modern slavery and human trafficking are high.

AKD will continue to survey new and strategic suppliers monitoring compliance and follow up where monitoring identifies areas of concern.

This statement was approved by the Board of Associated Kiln Driers Pty Ltd at a meeting of the Board of Directors on 24th November 2022.

This statement is signed by Shane Vicary, a Director of Associated Kiln Driers Pty Ltd.



Shane Vicary
Director
Associated Kiln Driers Pty Ltd

