

WOODHOUSE TIMBER COMPANY
FY23
MODERN SLAVERY STATEMENT

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MESSAGE FROM THE MD

WMD Capital Pty Ltd / Woodhouse Timber (Woodhouse) is a family owned and operated wholesaler of exterior and interior building products. Woodhouse is strongly committed to ethical sourcing and mitigating modern slavery risks in the Group's operations and supply chains.

As reported in the recent Global Estimates of Modern Slavery, an estimated 40.3 million people were living in modern slavery in 2016. In other words, on any given day in 2016, there were more than 40 million people – about 70 percent of whom are women and girls – who were being forced to work against their will under threat or who were living in a forced marriage. But this is not a problem that only occurs in developing countries. The Global Slavery Index 2018 estimates that on any given day in 2016, there were 15,000 living in conditions of modern slavery in Australia, a prevalence of 0.6 victims of modern slavery for every thousand people in the country.

Global supply chains bring this issue closer to our shores and as a retailer relying on products that are manufactured in global supply chains, we have a duty to be aware of the risk and take responsibility to reduce it. Our Group's business divisions use best efforts to work closely with suppliers and retail trading partners including collaborating alongside various organisations, on an international level in our commitment to help identify, take action against, and assess the effectiveness of actions taken against modern slavery risks in Woodhouse's operations and supply chains.

A key focus of our actions in FY23 have been on increasing our organisational capacity to implement improvements to responsible sourcing and enhancing management systems and governance frameworks to reduce sustainability and human rights risks. We invested in services to increase oversight and visibility over our supply chain and due diligence capabilities.

We are always looking to improve our supply chain transparency and traceability, and we believe that FY23 has been a significant year of improvements and outcomes for our business .



MARK WOODHOUSE
MANAGING DIRECTOR AND PRINCIPAL GOVERNING BODY OF WMD CAPITAL PTY LTD

OUR COMMITMENT

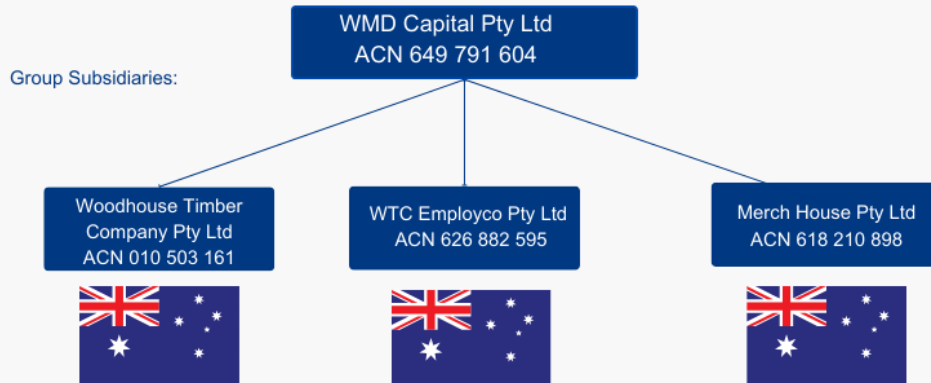
This Statement sets out WMD Capital Pty Ltd and its subsidiaries' commitment to prevent modern slavery in all business activities and within our supply chains.

It outlines the steps we have taken to ensure compliance with the *Modern Slavery Act 2018* (Cth) (MSA).

This Statement covers the activities of WMD Capital Pty Ltd [ACN 649 791 604] and its subsidiaries: Woodhouse Timber Company Pty Ltd [ACN 010 503 161], WTC Employco Pty Ltd [ACN 626 882 595], and Merch House Pty Ltd [ACN 618 210 898] (Woodhouse), for the financial year commencing 1 July 2022 and ending 30 June 2023 (FY 23 Statement Period)

Woodhouse Group of Companies

Organisational Chart and Structure



OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Established in 1983, Woodhouse is a family owned and operated business and a leading national wholesaler of timber products. In Australia during the FY23 Statement Period, Woodhouse operated from 5 warehouse distribution centers across Sydney, Melbourne, Perth, Brisbane and Adelaide.

Our head office is located in Brisbane, Australia and, during the FY23 Statement Period, we employed approximately 91 people across our business, including contractors. Our main business functions are marketing and distributing a wide range of imported predominately timber-based building materials.

For the purposes of this Statement, the reporting entity, whose operations and associated supply chains are relevant to the FY23 Statement Period is WMD Capital Pty Ltd. The relevant physical locations are as follows:

WMD Capital Pty Ltd [ACN 649 791 604] Proprietary Limited Company		
Merch House Pty Ltd Brisbane (head office & distribution centre) and distribution centres in Sydney, Adelaide, Melbourne and Perth	Woodhouse Timber Company Pty Brisbane (head office & distribution centre) and distribution centres in Sydney, Adelaide, Melbourne and Perth	WTC Employco Pty Ltd Brisbane (head office & distribution centre) and distribution centres in Sydney, Adelaide, Melbourne and Perth
Visual Merchandising Team – working with customers to vendor refill stock.	Importation marketing and distribution of predominately timber-based product to customers in Australia.	Human Resources and Recruitment.

Trade supply chain

Our trade supply chain consists of local and international timber products and suppliers and the categories of products include:

- MDF from Australia
- Pre-primed interior pine from China
- Pre-primed exterior pine from New Zealand
- WPC Decking from the USA
- Freight from Australia; and
- Freight from New Zealand.

Structure of supply chain arrangements

Woodhouse has long-term and stable relationships with its suppliers in China, Australia and New Zealand. These relationships date back up to 40 years. Executive management from Woodhouse Timber Pty Ltd visit suppliers on-site up to twice a year. This relationship increases transparency and interdependency across operations through Woodhouse's active and frequent consultation with its suppliers.

Supply chain mapping

An analysis of our trade supply chain showed us on a product level in which countries the majority of our products originate from. The top four countries of origin are:

- Australia
- China
- New Zealand
- Chile

All of our international suppliers are FSC Certified. This means (as discussed below) that those suppliers have been subject to independent audit against the ILO Conventions which closely map to the requirements of the Modern Slavery Act. From these suppliers, over 91% by value of our timber products are purchased as FSC Certified. The only supplier ~~providing~~ providing a small proportion of controlled but uncertified timber which has been grown, harvested and manufactured in the low risk country, New Zealand.

Non-trade supply chain

Our non-trade supply chain consists of service providers and contractors across a range of industries including:

- Maintenance services;
- Training providers;
- Consultancy services;
- Office suppliers;
- PPE providers;
- Insurance;
- Forklift services;
- Cleaning services;
- IT services;
- Freight services;
- Mail services;
- Security providers;
- Insurance;
- Fire protection services;
- Audit and accounting services;
- Marketing services; and
- Travel agency.

Governance for Modern Slavery

As a business, we are continuously reviewing and improving our governance to proactively mitigate risk and increase our organisational accountability. During the FY23 Statement Period, we have commenced the process of taking steps to undertake a review of modern slavery due diligence processes to mitigate the risks of modern slavery. Woodhouse has engaged independent Modern Slavery consultants to assist with the improvement of its modern slavery governance.

We utilise a Modern Slavery Due Diligence Questionnaire and analyse the responses and data through a software platform, to better understand the effectiveness of Woodhouse's efforts to mitigate modern slavery risks. We are constantly reviewing the effectiveness of third-party software in creating reliable data. Woodhouse is conscious that its efforts to mitigate Modern Slavery through good governance will continue to improve in FY24. As such, Woodhouse aims to enhance its understanding of its supply chain through conducting supply chain mapping in FY24 and beyond.

United Nations Guiding Principles on Business and Human Rights

Woodhouse uses best efforts in its governance and operations to ensure it follows the approach of the United Nations Guiding Principles on Business and Human Rights (UNGPs) including to ensure:

- It does not cause modern slavery in its operations or supply chains and will continue to assess this risk;
- it is unlikely to contribute to modern slavery in its operations or supply chains and will continue to assess this risk;

- that it is possible that its suppliers or supply chains overseas may contribute to modern slavery, and so will investigate further whether it might be directly linked to modern slavery risk in any way.

POTENTIAL RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

We understand that modern slavery is a risk that every business is exposed to due to extended global supply chains and our own operations. It is this risk to the workers engaged in the supply chains that we seek to understand, minimise, and mitigate wherever possible.

OPERATIONAL RISKS

During the F23 Statement Period, Woodhouse has identified the potential risks of Modern Slavery in our Operations as high due to the known risks in the timber industry. We have robust recruitment and onboarding processes that ensure we comply with all relevant legislation and manage the risk of modern slavery through our employment engagement process.

As part of mitigating the risk that it is in our direct control by increasing education and awareness, Modern slavery training is included in the new Woodhouse employee induction platform. This process not only enables all new employees to raise their awareness of modern slavery but also to gain perspectives on the effectiveness of actions being taken around modern slavery risks from new starters.

The majority of our recruitment is managed in-house which provides us with more opportunity to directly control and govern the process. Additional policies that ensure clarity on behavioral expectations from our staff include the Woodhouse Code of Conduct (Code). The Code references the conventions of the International Labour Organisation and the principles of the United Nations Universal Declaration of Human Rights, and by following core values of human rights, labour standards, anti-corruption and the environment aims to:

- improve working conditions for workers in our supply chain; and
- protect the Woodhouse reputation and trust in our brands by doing the right thing.

While the risk in our directly controlled operations is low, we understand that there could be a risk of human rights issues in our operations due to the use of subcontracting of services including transport, logistics and cleaning, as well as services that may be sent offshore. These issues may include underpayment, indentured workers and exploitation of migrants in contracted and subcontracted services such as transport and logistics. We are able to mitigate this risk by ensuring that when we agree on charge out rates with the agencies used that they are based upon the minimum award rates that apply to the classification of the role. In addition, migrant or foreign labour is not used through these agencies, minimising the potential that they have been trafficked to Australia and identity documents etc withheld and other such crimes.

SUPPLY CHAIN RISKS

Examples of High Supply Chain Risk in Our Industry

Woodhouse understands the timber and forestry supply chain to be the highest risk category in its supply chain. We understand the illegal logging industry is a global contributor to violations of international human rights and one of the largest contributors to modern slavery. Being a timber supplier and manufacturer, Woodhouse is aware of the importance of illegal logging due diligence and views it as crucial to also addressing the modern slavery risks in its supply chain. Woodhouse has taken steps since the legislation was introduced in 2012, to complete illegal logging due diligence with the overall aim to make sure it has effective controls in place to minimize this risk. Woodhouse has also ensured that the overwhelming majority of suppliers are providing FSC certified materials to the reporting entities in this statement.

The modern slavery risks identified as being associated with the goods and services we buy, and more generally, the timber industry being Woodhouse's highest risk and most prominent supply chain, include:

- Forced labour: risks in the working conditions and debt bondage (threats, violence, working conditions/excessive unpaid overtime, restricted freedom movement);
- Child labour: risks in harvesting, working in pesticide, in cutting and processing wood;
- Underpayment of indentured workers and exploitation of migrants in contracted and subcontracted services such as transport & logistics overseas;
- Labour rights and business-related services and professional services that may be offshored; and
- Labour rights and health and safety in overseas supply chains of timber harvesting, processing and manufacturing.

In addition to FSC certification and illegal logging due diligence, from FY24, Woodhouse aims to commence the process of mapping its supply chains to enhance visibility over its supply chains and develop effective supply chain due diligence to mitigate the risks of modern slavery in its supply chain.

ACTIONS WE HAVE TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

Woodhouse takes its responsibility to understand and reduce the environmental and social impacts of its business operation and supply chain very seriously. Over this reporting period, we have made progress in implementing onboarding policies and initiatives to help assess and address modern slavery risks in our operations and supply chain.

Woodhouse is taking measures to review its supply chain due diligence questionnaire, aided by a supply chain mapping process commencing in FY24. We understand the need to constantly review and consult our suppliers in the development of modern slavery due diligence. Through consultation with its suppliers, Woodhouse aims to implement and maintain enhanced supply chain due diligence processes and an ongoing supplier audit program. This is part of a multistep process commencing in FY24 and constantly refined in the coming years through an integrated governance strategy aimed at mitigating the risks of modern slavery.

Woodhouse expects the outcome of supply chain mapping to be enhanced visibility and direction for the governance of supply chain risks from FY24 and beyond. This due diligence process will complement the actions already taken by Woodhouse in completing illegal logging due diligence.

Illegal Logging and FSC

Woodhouse understands its timber and forestry supply chain to be the highest risk category in its supply chain. The organisation understands the illegal logging industry is a global contributor to violations of international human rights and one of the largest contributors to modern slavery. With timber at the heart of its supply chains, Woodhouse understands the importance of illegal logging due diligence as crucial to addressing modern slavery risks in its supply chain. Woodhouse has taken steps since the legislation was introduced in Australia in 2012 to complete illegal logging due diligence with the overall aim of ensuring it has effective controls in place to minimize this risk.

Woodhouse also clearly understands the FSC Certification Status of each of the actors in each supply chain. 100% of timber suppliers in these supply chains hold FSC Certification. This means that the latent risk is significantly reduced by the requirements of those standards which are the subject of third-party independent audits and include social requirements against which all certified entities are audited.

Woodhouse will continue to require FSC Certification of its inputs in order to reduce modern slavery risk, as the requirements of FSC closely map to the six categories of modern slavery.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Woodhouse reports to the Board quarterly and as part of this, we are tracking the progress of our actions to prevent modern slavery and implementing our supply chain due diligence process as part of our modern slavery governance.

Starting with the process of mapping our supply chain, a monitoring and evaluation framework will then be developed to establish metrics so that we can track the implementation of our modern slavery mitigation actions. We will then conduct an annual evaluation of the actions undertaken to assess their effectiveness and based on the learnings, will incorporate this into the following year's actions, to ensure that we are continuously improving and that our actions have a demonstrated impact.

OUR FY24 COMMITMENTS

Over the next year, our key focus areas will be:

- Mapping our supply chain to better understand our supply chain and the residual modern slavery risk that remains in place following FSC Certification of our supply chains;
- Implement an internal due diligence process to mitigate the risk which will complement our already established illegal logging due diligence process; and
- Commence the process of better incorporating governance of modern slavery risk into our corporate governance framework.

Woodhouse acknowledges that its modern slavery due diligence framework is still relatively new and thanks our suppliers for engaging with us to assess and address modern slavery risk in our supply chain.

PROCESS OF CONSULTATION AND APPROVAL

In order to prepare this joint statement, we engaged with each of the reporting entities covered by this statement and consulted the entities we own or control.

This statement was resolved as approved by the Director of WMD Capital Pty Ltd on 21 December 2023.



Mark Woodhouse
Managing Director

Appendix A

The following table summarises how this statement meets the reporting obligations under the Commonwealth Modern Slavery Act 2018.

Modern Slavery Act reporting requirement	Addressed in Section
1. Identify the reporting entity	Section 1: Our Commitment Page 4 & Section 2: Our structure, operations and supply chain. Page 5
2. Describe the reporting entity's structure, operations and supply chains	Section 1: Our Commitment Page 4 & Section 2: Our structure, operations and supply chain. Page 5
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Section 3: Risks of modern slavery to people in our operations and supply chains. Page 7
4. 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.	Section 4: Actions taken to assess and address our risks. Page 9
5. Describe how the reporting entity assesses the effectiveness of such actions.	Section 5: Assessing effectiveness. Page 10
6. 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	Section 6: Describe consultation. Page 11