

WOODHOUSE TIMBER COMPANY
FY24
MODERN SLAVERY STATEMENT

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MESSAGE FROM THE MANAGING DIRECTOR

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.

In our statement for the previous reporting period, we noted figures on the prevalence of modern slavery globally and in Australia. Compared to the last reporting period, these figures have increased. Looking globally, the 2022 Global Estimates of Modern Slavery Report estimates 50 million people were living in modern slavery in 2021. 53 percent of these were women and girls. This means that on any given day in 2021, there were more than 50 million people who were; being forced to work against their will; under threat; or who were living in a forced marriage. Within Australia, the Global Slavery Index 2021 estimates that on any given day in 2021, there were 41,000 living in conditions of modern slavery in Australia, a prevalence of 1.6 victims of modern slavery for every thousand people in the country. This is up significantly from the 0.6 per thousand in 2018. This reinforces the importance of maintaining robust ethical procurement policies and practices which, as far as possible, address and reduce the risk that modern slavery is present in our supply chains.

Our Group's business divisions are committed to working closely with suppliers and retail trading partners. We collaborate with various organisations internationally to achieve our commitment to reducing the risk of modern slavery in Woodhouse's operations and supply chains. This includes identifying, taking action against, and assessing the effectiveness of actions taken against, modern slavery risks.

The key focus area of our actions in FY24 can be categorised into:

- increasing our organisational capacity to implement improvements to responsible sourcing;
- enhancing management systems and governance frameworks to reduce sustainability and/or human rights risks; and
- investing in services to increase oversight and visibility over our supply chain and due diligence capabilities.

We believe that FY24 has been a significant year of improvements and outcomes for our business and in line with our long term commitments, we will continue to look to improve our supply chain transparency and traceability.



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

OUR REPORTING ENTITIES

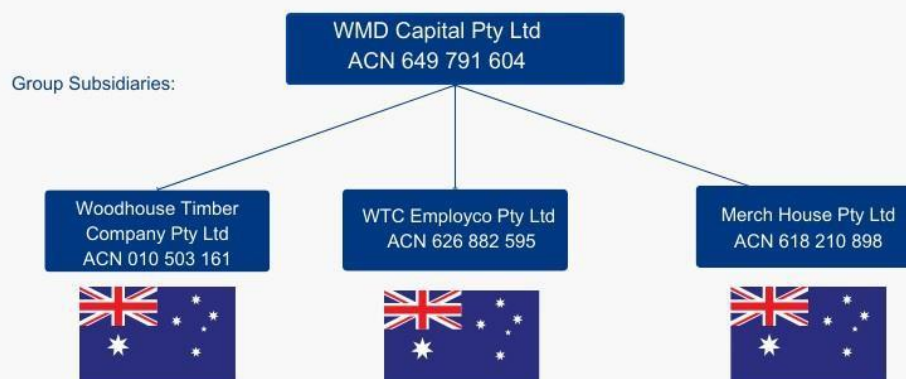
This Statement sets out WMD Capital Pty Ltd and its subsidiaries' commitment to prevent modern slavery in all business activities and within our supply chains.

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] (henceforth collectively referred to as Woodhouse), for the financial year commencing 1 July 2023 and ending 30 June 2024 (FY24 Statement Period; hereafter referred to as FY24)

Woodhouse Group of Companies

Organisational Chart and Structure



OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Woodhouse is a family owned and operated business that was established in 1983. Woodhouse is a leading national wholesaler of timber products. Our main business functions are marketing and distributing a wide range of imported, predominately timber-based, building materials.

In Australia during FY24, Woodhouse operated from 5 warehouse distribution centres across Sydney, Melbourne, Perth, Brisbane and Adelaide. Our head office is located in Brisbane, Australia. During FY24, we employed approximately 89 people across our business, including contractors.

For the purposes of this Statement, WMD Capital Pty Ltd is the reporting entity, whose operations and associated supply chains are relevant to FY24. 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. Our categories of products include, but are not limited to:

- Merbau posts from Indonesia
- Lining boards from Europe
- MDF from Australia
- Pre-primed interior pine from China
- MDF from China
- Pre-primed exterior pine from New Zealand
- Pre-primed exterior pine from Chile
- Freight from Australia
- Freight from New Zealand

Structure of Supply Chain Arrangements

Woodhouse has stable, long-term relationships with its suppliers. Many of these relationships have been maintained for up to 40 years, such as those with suppliers in Australia, New Zealand and China.

Executive management from Woodhouse visit suppliers on-site up to twice a year. During these visits, executive management speak with suppliers about several key areas, including the evaluation of the work health and safety conditions of workers, product safety, raw material sourcing and other general commercial or functional arrangements. Supporting documentation is collected and records are made of all interactions.

Woodhouse has active and frequent consultation with its suppliers, including the above mentioned on-site supplier meetings. These provide an opportunity to continue to build mutually dependent supplier-customer relationships whilst increasing the transparency and accountability of its supply chain.

Supply Chain Mapping

An analysis of our trade supply chain has enabled us to identify which countries the majority of our products originate from at a product level. The top three countries of origin are:

- China
- New Zealand
- Australia

All of our international suppliers hold FSC Certification. This means that they have been independently audited against specified International Labour Organisation Conventions, which closely map to the requirements of the Modern Slavery Act (for more information see *Illegal Logging and FSC* from page 13).

Over 92% of our timber products are purchased as FSC Certified. There is only one supplier providing a small proportion of controlled but uncertified timber. This uncertified timber has been grown, harvested and manufactured in New Zealand, which is considered a low risk country.

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 agencies.

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 FY24, we have engaged independent consultants to assist in enhancing our modern slavery governance, and identifying the areas in our supply chains where the risk of modern slavery is the greatest.

We have continued to review the likely effectiveness of currently available third-party software and are conscious that efforts to mitigate Modern Slavery through good governance will continue to improve in FY25 and beyond. As part of this, Woodhouse is actively seeking an analysis system that will assist us to better understand the effectiveness of our efforts to mitigate modern slavery risks.

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; and
- 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.

To support Woodhouse in completing this work, we utilise an overlay provided by an external consultancy.

We have also onboarded Chinese suppliers to the SEDEX ETI audit system, and at a present all Chinese suppliers are certified on the SEDEX four pillar audit.

POTENTIAL RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

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

Operational Risks

During FY24, 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.

We mitigate the risk that is in our direct control by increasing education and awareness. As part of this, modern slavery training is included in the 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. In addition, training is completed once per year by existing staff.

We are also committed to ensuring key staff have deeper training on modern slavery and therefore we are sourcing a training partner to allow a concentrated and thorough training for those staff in FY25.

The majority of our recruitment is managed in-house which provides us with a strong opportunity to directly control and govern the process. Woodhouse have additional policies that ensure clarity on behavioural expectations from our staff including the Woodhouse Code of Conduct (the 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, and services that may be sent off-shore. These issues may include underpayment, indentured workers and exploitation of migrants in both contracted and subcontracted services such as transport and logistics. We are able to mitigate this risk by ensuring that charge out rates agreed to with agencies used are based upon the minimum award rates that apply to the classification of the role. In addition, we require that agencies used can prove that migrant or foreign labour is not used, which minimises the potential that they have been trafficked to Australia. We also require that identity documents etc. are not withheld and that no other such crimes are occurring in the agency.

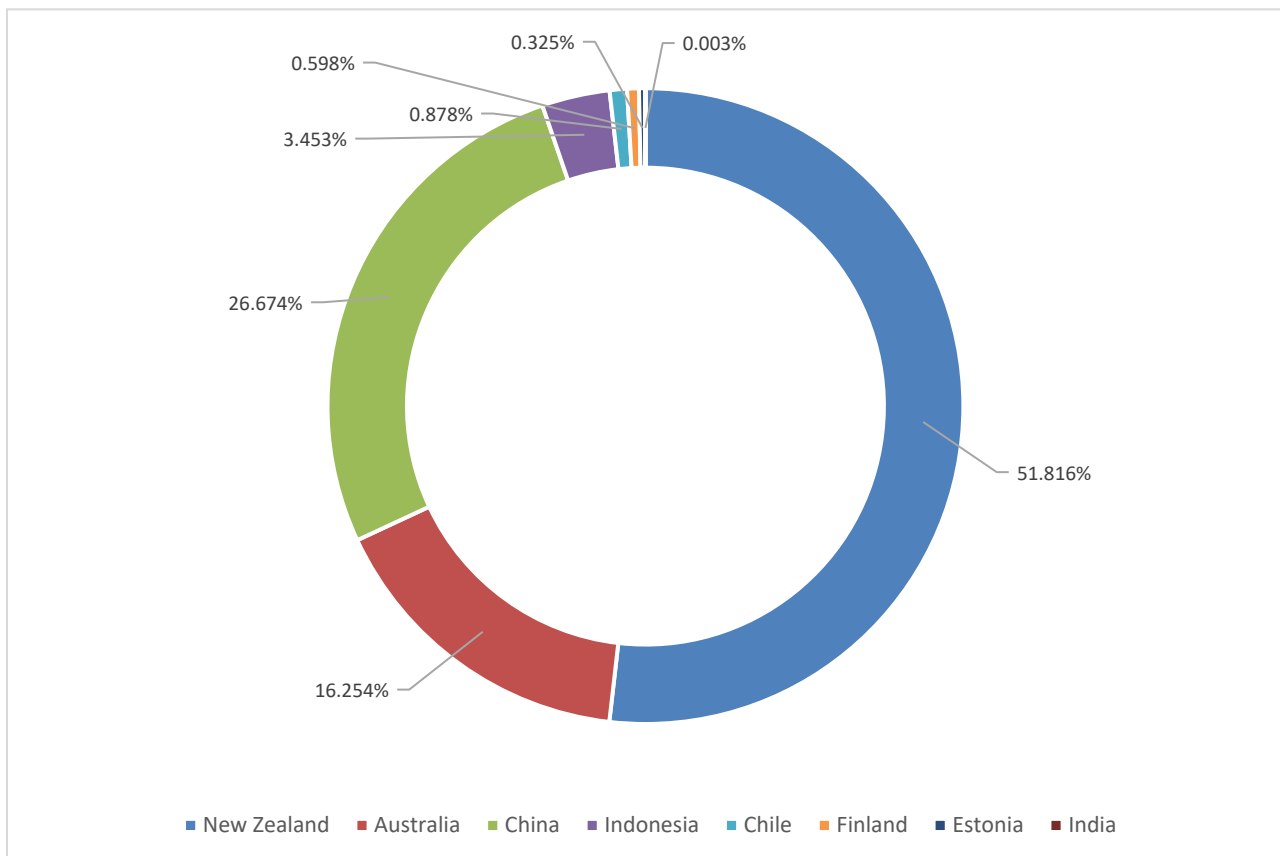
Supply Chain Risks

We have in the most recent reporting period engaged external consultants to complete a risk analysis of our supply chains and operations to identify categories of highest risk and prioritise the highest risk categories by spend.

The analysis showed that our largest spend category is timber stock, which accounts for 85% of our spend. This is also our highest risk category. As such, the majority of focus remains on implementing transparency and any necessary risk mitigation in our timber stock supply chains.

Within this category, we have also broken-down timber stock by its source, as this determines its latent risk. Woodhouse sources the majority of its timber stock from New Zealand, which is considered low risk. However, amongst remaining stock, there are a number of higher risk countries.

Summary of spend by country:



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 highest modern slavery risks identified in our timber industry supply chains and associated with other goods and services we purchase come from China, Vietnam and Indonesia, and particularly 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 has undertaken a detailed mapping of its supply chains which allows us to enhance visibility and transparency to develop effective due diligence processes and to mitigate modern slavery risk. As part of this, we now have transparency with the majority of suppliers all the way to the forest, and for the remaining we have visibility to the trading company's level. We understand this means some data is still missing and are committed to extending our scope to cover this additional area. To support this, we now require suppliers to be assessed against a modern slavery assessment and ethical sourcing policy as a part of onboarding. This includes the supplier confirming compliance in writing and if there are extra certifications they have such as SEDEX.

ACTIONS WE HAVE TAKEN IN FY24

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

We understand the need to constantly review and consult our suppliers in the development of modern slavery due diligence and that co-operation with suppliers in addressing this risk increases the effectiveness of mitigation where it becomes necessary. Woodhouse is in the process of implementing an ongoing supplier audit program to increase its supply chain transparency. This is part of a multistep process commenced in FY24 which will be constantly refined in the coming years through an integrated governance strategy aimed at mitigating the risks of modern slavery.

Additionally, we now require suppliers from high risk supply chains to implement the SEDEX standard in their operation, including engaging with a third-party audit process. Where non-compliance is discovered, Woodhouse works with the affected supplier to ensure resolution and successful re-auditing. We also undertake direct audits and surveillance at the below rates for specific suppliers dependent on location:

- China and New Zealand, twice a year; and
- Once every two years for Vietnam, Europe (Finland, Estonia) and Indonesia.

Woodhouse expects the continued outcome of supply chain mapping to be enhanced transparency and an improved mitigation processes. This due diligence will complement the actions already taken by Woodhouse in completing illegal logging due diligence.

Woodhouse has now also applied for Australian Trusted Trader certification from Border Force. As part of these audits, Woodhouse successfully passed the supply chain security component which further indicates our successes in this space.

Illegal Logging and FSC

Woodhouse understands the highest risk category in our supply chain is the timber and forestry 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 our supply chains, Woodhouse understands the importance of illegal logging due diligence as crucial to addressing modern slavery risks in our supply chain. Woodhouse has taken steps since the modern slavery legislation was introduced in Australia in 2012 to complete illegal logging due diligence with the overall aim of ensuring effective controls are in place to minimize this risk.

Woodhouse 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.

It is important to note, whilst all suppliers are FSC certified, not all products are FSC certified. There is one New Zealand supplier who is providing uncertified product. However, the supplier does still hold FSC certification and we have strong visibility to the harvester, resulting in a sustained low risk level. As a policy we do not onboard suppliers from other regions who are providing non-FSC Certified products and we consider this single supplier an exception to the rule.

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 five of the 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.

The metrics we are tracking to evaluate the effectiveness of our actions include:

- % of certified products
- % of certified suppliers (FSC/PEFC)
- % of supply chains that are mapped
- % training rate of Woodhouse staff
- % of Certified suppliers (SEDEX)
- Number of Internal audits conducted

In addition, the progress of actions to prevent modern slavery and supply chain due diligence process implementation is discussed in supplier meetings and all statements are regularly re-verified with suppliers.

In this reporting period, our results were:

- 92% of product was certified;
- 100% of suppliers for forest products were certified to FSC/PEFC;
- 56% of supply chains were mapped to the forest, 44% were mapped to the tier one supplier;
- 100% of Woodhouse staff were trained on modern slavery; and
- 31% of suppliers were certified to SEDEX, 100% of Chinese suppliers were certified to SEDEX.

OUR FY25 COMMITMENTS

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

- Collect information from suppliers through the Modern Slavery Due Diligence Questionnaire. The responses and data collected through these questionnaires will allow us to improve upon and amend where necessary our governance processes and procurement policies.
- Continue mapping our supply chain to increase transparency and address the residual modern slavery risk that remains for FSC/PEFC certified supply chains.
- Developing a checklist to support executive management during visits to International suppliers.
- Implement the formal audit checklist during on-site visits with suppliers which addresses indications of modern slavery and allows us to accurately amend latent risk designations.
- Implement an internal due diligence process to mitigate the risk which will complement our already established illegal logging due diligence process Including discussing modern slavery internally during process based meetings.
- 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 20th December 2024.

A handwritten signature in black ink, appearing to read 'M Woodhouse', with a long horizontal flourish extending to the right.

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 Reporting Entities 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 Reporting Entities 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 9
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 13
5. Describe how the reporting entity assesses the effectiveness of such actions.	Section 5: Assessing the effectiveness of our actions. Page 15
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: Process of consultation and approval. Page 17