



Modern Slavery Statement

**Associated Kiln Driers Pty Ltd
(ACN 004 341 048)**

Associated Kiln Driers Pty Ltd - Modern Slavery Statement Financial Year Ending 30 June 2020

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 2019 to 30 June 2020.

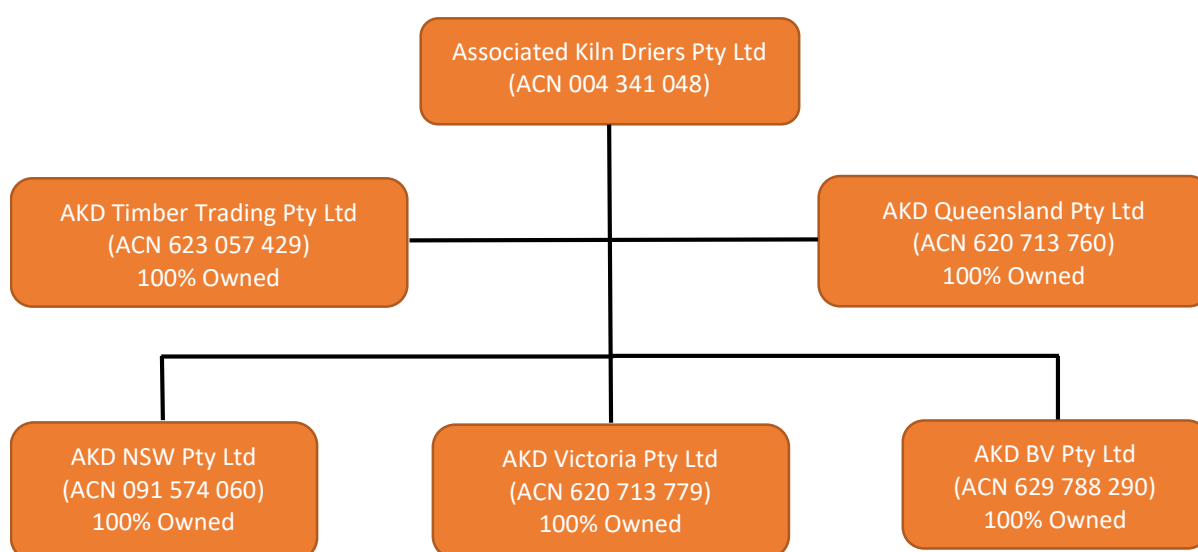
The statement outlines AKD's approach to ensuring it has a robust framework and processes in place to minimise the risk of Modern Slavery in its business operations and supply chain.

This is the first Modern Slavery Statement prepared by AKD.

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.

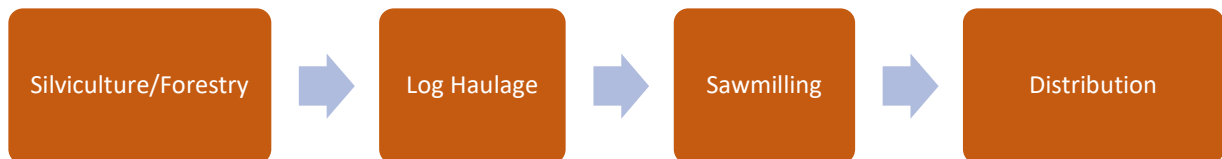
3. AKD's Operations and Supply Chain

AKD operates on the east coast of Australia, processing domestically grown sawlogs and supplying 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 over 1,000 employees across Australia. No employees are on temporary work visas. 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 over 1,900 active suppliers, with 97% of these suppliers based in Australia from 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 60 active overseas suppliers are based in the following countries:

- | | |
|----------------------------|----|
| • New Zealand | 25 |
| • United States of America | 18 |
| • Canada | 10 |
| • Germany | 2 |
| • Italy | 2 |
| • Sweden | 2 |
| • Austria | 1 |
| • France | 1 |
| • United Kingdom | 1 |

These suppliers provide plant and 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.

5. Actions Taken to address risks – current reporting period

5.1 Supplier Terms and Conditions

AKD engages its suppliers through contracts, goods and services agreements, purchase orders and standard terms.

All new supplier contracts and agreements will include a clause requiring the supplier to comply with the *Modern Slavery Act 2018*. All new agreements and contracts with suppliers will include this clause with immediate effect.

5.2 Policies and Procedures

AKD has a Code of Conduct which requires all people who act on behalf of AKD to behave ethically and to comply with laws. AKD also has a Whistleblower Policy, which encourages employees to speak up and report any wrongdoing. Both of these documents have been reviewed and updated to ensure they specifically address the requirements of the Modern Slavery Act.

All disclosures under the Whistleblower Policy are investigated and appropriate actions are undertaken. No Modern Slavery risks were reported under AKD's Whistleblower Policy or otherwise during the reporting period.

AKD has also recently updated its Procurement Policy to address these specific risks and ensure that the requirements of the Modern Slavery Act are being appropriately considered during the procurement and contract development process, and that appropriate due diligence is conducted for all new suppliers.

6. Actions in the Next Reporting Period

The following actions will be completed during 2021, prior to submission of the Modern Slavery Statement for the 2021 Financial Year.

- Updating all existing contracts with suppliers to include the new Modern Slavery clause and making sure that contract development processes include appropriate due diligence investigation of Modern Slavery risks.

- Developing a questionnaire for foreign suppliers that addresses the key Modern Slavery risks and making sure that all foreign suppliers have completed the questionnaire.
- Educating AKD employees, particularly those that deal directly with suppliers about the risks and responsibilities related to Modern Slavery.

7. How AKD will assess the effectiveness of such actions

During this reporting period AKD has focused on undertaking preparatory actions (updating and introducing policies, supplier terms etc.) and will commence educating employees about Modern Slavery, and assessing suppliers, including through questionnaires. As such, AKD considers it will be better placed to assess the effectiveness of these actions during and the after the next reporting period.

This statement was approved by the Board of Associated Kiln Driers Pty Ltd at a meeting of the Board of Directors on 30 March 2021.

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



Shane Vicary
Director
Associated Kiln Driers Pty Ltd