

# Modern Slavery Statement

## Wespine Industries Pty Ltd

Reporting Period: 1 July 2023 to 30 June 2024

This statement covers the activities of Wespine Industries Pty Ltd (**Wespine**) (ACN 052 954 337) and its wholly owned and controlled entity Staxa Pty Ltd (ACN 651 790 751) (**Staxa**) for the year ended 30 June 2024. Wespine and Staxa together are referred to as the 'Wespine Group'. For the purposes of this modern slavery statement, the reporting entity is Wespine. Wespine consulted the relevant subsidiaries in the development of this statement.

This is Wespine's fourth modern slavery statement under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) and outlines the actions we have taken to assess and address modern slavery risks in our operations and supply chains.

This modern slavery statement has been approved by the Board of Wespine which includes representatives from its two shareholders – Wesfarmers Limited and Fletcher Building Ltd.

### Introduction

At Wespine and Staxa, we are committed to conducting business responsibly and ethically, and to mitigating the risk of modern slavery in our operations and supply chains. We reject any form of modern slavery, such as servitude, human trafficking, debt bondage, forced marriage, forced labour or service, and any form of child labour. Our focus is to promote human rights as being understood and respected within our operations and supply chains.

### Our structure and history

Wespine is a company incorporated in Australia and our registered office is located at 241 Moore Road, Dardanup West, Western Australia. The Wespine Group only operates in Australia, predominantly within Western Australia. Wespine is owned equally by Wesfarmers Limited and Fletcher Building Ltd, which are both ASX listed companies.

Over the last 25 years, Wespine's production has consistently grown, with capacity now between 400,000m<sup>3</sup> and 500,000m<sup>3</sup> of softwood plantation sawlog input each year.

Staxa is 100% owned by Wespine and was incorporated on 8 July 2021. Staxa only operates in Australia.

### Wespine vision and values

Wespine's vision is: A united innovative team safely providing Australia's best softwood timber products to our customers.

Staxa's vision is: To be the preferred supplier in Australia of high-quality timber products working with the leading domestic distributors of those products.

Wespine and Staxa's core values are:

1. **Having Integrity** – Being honest and accountable, doing the right thing and keeping our promises.
2. **Caring for Each Other** – Safety first in everything we do, supporting and respecting each other.
3. **Being One Team** – Working as one for Wespine, collaborative and inclusive in our style and

- communicating widely and regularly.
4. **Courage to Innovate** – Trialling of new ideas and not afraid of failure.
  5. **Striving To Excel** – Seeking excellence in our business processes, providing the right product on time and learning from mistakes.
  6. **Taking Action** – Being positive and making it happen.

## Our operations

Wespine is a softwood manufacturer, importer and distributor of softwood plantation products, operating a single sawmill in the south west of Western Australia. In 2024 approximately 90% of all timber is sourced from Western Australia, with all the manufacturing occurring in Western Australia. Wespine imports a relatively small volume of timber to supplement its own manufactured product. The quantity of imported product is adjusted to meet market demand through its subsidiary Staxa. Wespine manufactures structural timber used in the construction industry along with landscaping, packaging and other timber products.

Staxa is the exclusive distributor of Wespine products along with a range of imported sawn and engineered timber products. Staxa imports wood from Programme for the Endorsement of Forest Certification (**PEFC**) and Forest Stewardship Council (**FSC**) certified partners around the world.

PEFC Certification:

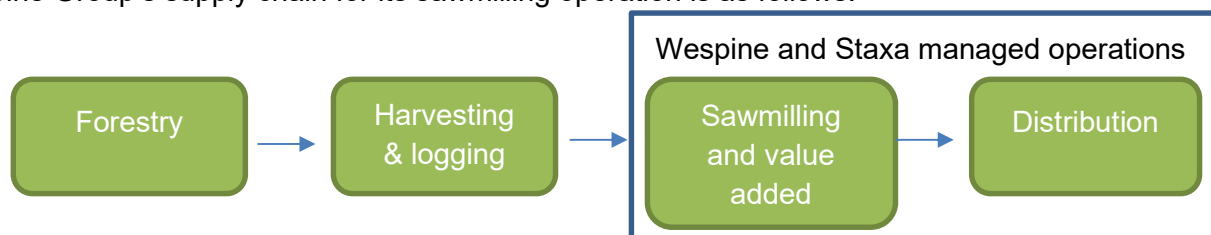
1. Promotes living wages, safe working conditions, equal opportunities, non-discrimination, and freedom from workplace harassment,
2. Promotes compliance with the fundamental International Labour Organisation conventions, and
3. Promotes respect of human rights, as defined by the Universal Declaration on Human Rights

FSC Certification and membership promotes participating organisations to not being directly or indirectly involved in certain activities, including:

- a. Violation of traditional and human rights in forestry operations, and
- b. Violation of any of the International Labour Organisation Core Conventions.

Staxa deals with the sales and marketing operations of Wespine. As timber from Staxa is sourced predominantly from Wespine, the manner in which Wespine and Staxa addresses the risk of modern slavery directly affects Staxa. Timber sourced from non Wespine suppliers is required to be certified internally by Staxa as being compliant with Australian modern slavery legislation at the time of placing each order for product.

Wespine Group's supply chain for its sawmilling operation is as follows:



The majority of the Wespine Group's products are consumed in Australian housing construction, pallet manufacturing, and landscape products.

During the reporting period, Wespine sourced from approximately 420 suppliers to supply a range of goods and services, with 98% of these suppliers based in Australia.

Wespine's largest supplier is the Forest Products Commission (**FPC**), which is an agency of the Western Australian Government. Payments to the FPC made up approximately 47% of total supplier payments, with payments to seven local transport and energy suppliers making up approximately 20% of supplier payments.

Wespine's overseas suppliers are based predominantly in the following markets:

- New Zealand
- United States of America
- Canada
- United Kingdom
- Germany
- Sweden
- Denmark
- France
- Lithuania
- Indonesia
- South Africa
- China

Overseas suppliers provide timber, plant and equipment, and associated spares and technical services.

Wespine prioritises the sourcing of services and equipment from local Western Australian suppliers that operate in the communities around Wespine's operation and provides an annual local content report to the Western Australian Government, which summarises material procurement from domestic and overseas suppliers. Wespine procurement policy favours procurement from local Western Australian and Australian suppliers. In FY2023/24 Wespine sourced approximately 81% of its products and services by value from Western Australia.

Wespine employs approximately 220 employees at its sawmill. Wespine policy is that employees are Australian residents, or they have an applicable visa that allow them to work in Australia. Wespine conducts its own recruitment for its directly engaged employees, other than recruitment for specialist or skilled roles where employment agencies may be engaged. Conditions for employees working within the sawmill operational areas are as per an enterprise agreement which is approved and registered with the Australian Government Fair Work Commission. This agreement was voted on and approved by team members in 2022, represented by various registered Australian labour unions, and covers wages, overtime, allowances and redundancies. All other employees, including staff and manager positions are employed under individual employment contracts.

### **Managing modern slavery risks**

Wespine manages its business risks through an annual risk review process and risk management systems that are overseen by the Wespine Board. Wespine has a number of policies relating to the management of modern slavery risks, including Code of Conduct and Whistleblower Policies. These policies apply to all staff of the Wespine Group, as well as suppliers. This whistleblower policy provides an independent reporting process to the Board for employees, suppliers or customers to report any suspected breaches of Australian laws at Wespine and Staxa, including breaches of the Modern Slavery Act. The Code of Conduct requires all Wespine employees to comply with all Australian laws as part of their employment with Wespine. These policies are approved by the Board of Wespine.

The Whistleblower Policy covers disclosure of modern slavery reporting and may be accessed here: [www.wespine.com.au/whistleblower-policy/](http://www.wespine.com.au/whistleblower-policy/).

Using the guidance outlined in the Modern Slavery Act 2018 – Guidance for Reporting Entities, we have assessed the modern slavery risks associated with our operations and supply chains as follows in 2023-24:

Sector and industry:	The sawmill manufacturing industry within Australia is considered by Wespine to be low risk for modern slavery. Organisations within the industry produce timber products at mills in Australia with timber grown in and procured from Australia. These operations are overseen by Australia laws and regulatory systems and while modern slavery is a known risk in the Australian agricultural sector there have been no reports of modern slavery within the timber industry that Wespine or Staxa is aware of.
Products and services:	All goods and services procured within Australia have been assessed as low risk for modern slavery due to Australia's strong regulatory framework and due diligence by Wespine's procurement team. Plant and equipment, and associated spares and technical services, procured from overseas have been assessed as low risk, as these products/services have specific engineering requirements, are hi-tech and require a skilled workforce, which is less likely to be subject to modern slavery risks. All timber purchased from overseas is considered low risk, as we only purchase from Programme for the Endorsement of Forest Certification ( <b>PEFC</b> ) or Forest Stewardship Council ( <b>FSC</b> ) certified suppliers. PEFC and FSC standards require certified organisations to comply with local and national work conditions and wages.
Geographic:	Whilst suppliers to the Wespine Group are distributed across a range of countries, all suppliers of lumber are signatories to the Programme for the Endorsement of Forest Certification ( <b>PEFC</b> ) or Forest Stewardship Council ( <b>FSC</b> ) certified suppliers. PEFC and FSC standards require certified organisations to comply with local and national work conditions and wages.
Specific entity:	One entity related risk has been identified with a services supplier in 2024. Wespine ceased using this supplier due to both an assessed risk of possible breaches of Australian legislation that was obtained from multiple sources, and for confidential commercial reasons. Wespine did not enter mediation with the supplier as the commercial reasons made this decision appropriate.

Our risk assessment indicates that Wespine Group's operations and supply chains have low potential for modern slavery violations. Wespine acknowledges that ongoing action is required to assess the risks and this will continue over the coming years.

### **Actions to assess and address risks – 2024 reporting period**

Wespine understands the importance of working collaboratively with employees, suppliers, and the broader industry to combat modern slavery by clearly documenting and communicating Wespine's expectations to these groups in order to uphold our values. Modern Slavery is inconsistent with Wespine's values as outlined earlier in this Modern Slavery statement. Wespine Group policy is that

employees are educated in the Wespine values as part of their induction when joining Wespine, with the values enforced by our culture and policies throughout the group.

Wespine whistleblower policy is considered by Wespine to be an important process that allows employees, customers and suppliers to be able to assist Wespine in enforcing compliance with all Australian laws, including Modern Slavery legislation. The publicly available link on the Wespine website is able to be used to independently report any concerns that a whistleblower may have directly to senior management and the Wespine Board. In FY2023/24, Wespine did not record any grievances reported to Protected Disclosure Officers, supervisors, managers or the external service provider, Whistleblowing Services, that Wespine considered to be reportable conduct under the Whistleblower Policy.

Wespine's longstanding approach is to purchase from within Australia where possible (preferably locally within Western Australia). For any goods and services that were not able to be sourced from within Australia, Wespine typically purchase from suppliers from countries with strong regulatory framework which lowers the probability of modern slavery risk.

Wespine issues its standard terms and conditions to new suppliers. During 2024, these terms and conditions have been updated to include a clause requiring the supplier to comply with the Modern Slavery Act. Wespine has not reviewed these terms and conditions in 2024.

A procurement policy has been developed that requires modern slavery risks and the Modern Slavery Act to be considered during the procurement process. If the assessment of a supplier by our procurement teams highlights a risk, then further action is required to investigate any such risks before a decision can be made to commence or continue with the supplier relationship.

Wespine's Code of Conduct outlines the standard of behavior and conduct that is expected of our employees in the performance of their duties and interactions in the workplace. Wespine's values underpin the Code of Conduct, and we expect all employees to be lawful, ethical and responsible when dealing with our company's finances, products, partnerships and when representing Wespine with stakeholders.

Wespine's Whistleblower policy is available to the public on our website. Wespine invites the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving Wespine's business, and provides protections and measures so that those persons who make a report may do so confidentially and without fear of intimidation, disadvantage or reprisal. Wespine has procedures in place to investigate all matters reported under this policy. This policy is intended to invite reports from employees, contractors and external third parties to be lodged, with all reports which may include reports relating to the work practices in Wespine and Staxa operations or supply chain elevated to the Board to ensure that appropriate probity is followed in the investigation and resolution of any such matters.

### **Actions to assess and address risks in the 2025 reporting period.**

Wespine will continue to insist on new suppliers accepting a Modern Slavery Act compliance clause in supply contracts. For suppliers reporting under the Modern Slavery Act, submitted statements will be reviewed.

Wespine will continue with support of staff in specific roles that are focused on mitigating legislative risks relating to procurement, which includes modern slavery risk. These roles require ongoing education with regard to multiple legislative risks, including but not limited to Australian Department of Foreign Affairs banned trade countries, modern slavery risks and FSC and PEFC certification requirements.

Significant resources are committed by Wespine to due diligence on new suppliers and research around risks for any suppliers being considered in developing countries.

## **Assessing our effectiveness**

Wespine's 2024 reporting period highlighted one supplier that had a risk in relation to modern slavery breaches, with the supplier terminated due to this assessment and confidential commercial reasons. For clarity, Wespine suspected potential breaches of modern slavery legislation due to evidence from multiple sources, but did not seek to further investigate this as the supplier was also assessed for termination on commercial grounds.

Wespine general preference is to work with suppliers to help them address any potential concerns before termination of a supplier, with any specific decision made on a number of factors including the importance and materiality of the supplier to Wespine, and the likely ongoing costs to Wespine of any such interaction.

Wespine will continue to take a proactive approach to mitigate modern slavery risks and continue to have a low potential for modern slavery risk.

This statement was approved by the Board of Wespine Industries Pty Ltd at a meeting of the Board of Directors on 2 December 2024 and approved electronically by the Managing Director through the Wespine Electronic Document Management system.

A handwritten signature in black ink, appearing to read "Charles Perkins", is displayed within a light gray rectangular box.

**Charles Perkins**  
Managing Director  
Wespine Industries Pty Ltd