



Modern Slavery Statement

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1 Introduction

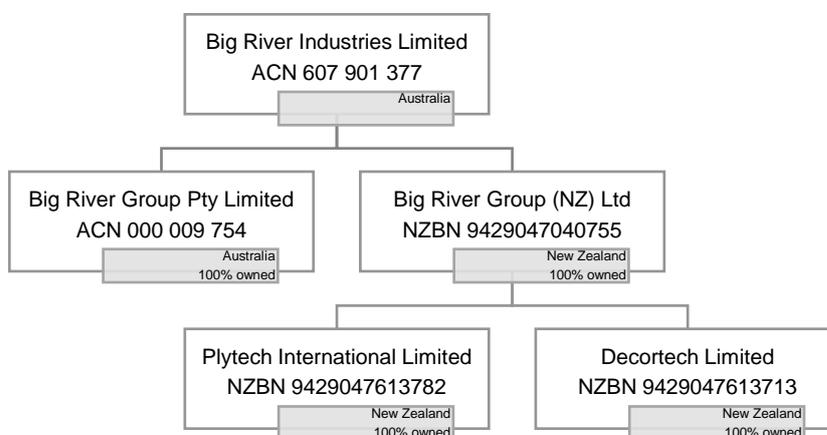
This Modern Slavery Statement has been prepared by Big River Industries Limited ACN 609 901 377 and its subsidiary reporting entity Big River Group Pty Limited ACN 000 009 754 in accordance with the *Modern Slavery Act 2018* (Cth) for the reporting period commencing on 1 July 2019 and ending on 30 June 2020.

It sets out the steps taken by Big River Industries Limited and its controlled entities, including the reporting entities referred to above, (together, **Big River**) during the reporting period to assess and address modern slavery risks in its operations and supply chain.

This is the first Modern Slavery Statement prepared by Big River.

2 Big River's structure

Big River's corporate structure is set out below:



Big River Industries Limited and Big River Group Pty Limited are both incorporated and operate in Australia. Big River Industries Limited also has three subsidiaries which are incorporated and operate in New Zealand, as shown above. No changes were made to Big River's corporate structure as a result of COVID-19.

Big River Industries Limited is an Australian public company listed on the official list of ASX and acts as the holding entity of the corporate group. Big River Group Pty Limited is an Australian proprietary company and is a distributor of building products and a manufacturer of plywood and formwork products. Big River Group (NZ) Ltd, Plytech International Limited and Decortech Limited are each New Zealand companies and are distributors of specialist plywood construction products and architectural panels.

3 Big River's operations and supply chains

Big River operates in Australia and New Zealand and is a diverse manufacturer and major distributor of timber products to local trade, and medium sized and enterprise sized companies.

Big River's key divisions are specified in section 2, which includes customary corporate support divisions, such as IT and human resources.

Big River has 2 manufacturing facilities, located in Grafton, NSW and Wagga Wagga, NSW, and 16 sales and distribution centres, of which 14 are located throughout Australia and 2 are located in Auckland, New Zealand.

Big River employs approximately 400 employees across Australia and 40 employees in New Zealand. No employees are temporary visa workers. Big River's employees at its manufacturing facilities are covered by enterprise bargaining agreements, which appropriately cover usual matters such as wages, overtime, allowances, leave and redundancies. Big River's other employees are employed under and in compliance with relevant industry awards or individual

employment contracts. Big River also engages with the CFMEU, an Australian industry employee trade union, in respect of certain of its Australia employees. There have been no disputes with any trade unions involving any modern slavery type allegations.

During the reporting period, Big River took action to mitigate the impact of COVID-19 on its workforce by temporarily reducing certain employees' work obligations and by necessity corresponding salaries by approximately 10% to 20% in lieu of standing down employees or making employees redundant wherever possible.

Big River has approximately 1,500 local and overseas suppliers, from which it sources a range of goods and services under purchase orders with standard terms.

Big River is satisfied its local Australian and New Zealand suppliers are not engaging in modern slavery practices in their operations. Many of these suppliers are substantive, well reputed local companies with which Big River has had regular and close dealings over a long period. In forming its assessment of and relationship with these local suppliers Big River is satisfied that their operations in this regard are appropriate.

Of its overseas suppliers, Big River engages approximately:

- 12 suppliers in Asia;
- 8 suppliers in Europe;
- 4 suppliers in Russia;
- 1 supplier in Africa; and
- 1 supplier in South America,

to provide timber products and construction materials, such as plywood, formply, flooring and specialty panel products.

These overseas suppliers engage factory workers to manufacture the products and materials being sourced. Big River's relationships with overseas suppliers have typically been longstanding and with larger and established businesses.

Big River engages one Chinese local to assist Big River in its dealings with Chinese suppliers, including by providing translation and logistics services. Big River deals with its European and other non-Australian and New Zealand suppliers without the assistance of any country locals.

As a result of COVID-19, Big River's supply chain was temporarily impacted as its Chinese suppliers' factories were shut for approximately two weeks and took a further approximate two weeks to return to full production. During the reporting period, Big River took action to mitigate the impact of COVID-19 on its supply chain by honouring its contracts with suppliers and not cancelling any orders placed with suppliers as a result of COVID-19.

4 Assessment of risks of modern slavery practices in Big River operations and supply chain

As more fully referred to in section 5 below, Big River has senior personnel visiting the manufacturing sites of its key European suppliers at least annually. In many cases it has a lengthy and comprehensive exposure to the employment practices of these suppliers and has ascertained that this group of suppliers appear to comply with the demanding European standards applicable to the engagement of their workforces and that no modern slavery practices have been identified.

Further, during the reporting period, Big River has initiated a review and analysis of its other overseas supply chains where it does not have the above visibility to better understand the risks of modern slavery that may exist within these suppliers' operations and as a result has identified the need to achieve a fuller understanding of the relevant facts with respect to the risks of modern slavery in sourcing supply from its Asian, Russian, African and South American suppliers.

5 Actions Big River has taken to assess and address risks

5.1 Actions taken during current reporting period

For this reporting period, Big River has focused on undertaking preparatory actions, comprising:

- updating its policies and procedures to consider how to assess and address risks of modern slavery practices in its operations and supply chains; and
- preparing updated supplier terms of engagement to set out Big River's expectations for assessing and addressing modern slavery risks in its supply chain and the consequences for failing to meet such expectations.

COVID-19 has not impacted Big River's ability to undertake the above actions.

5.2 Policies

Big River has in place an existing Code of Conduct which requires all persons who act on behalf of Big River to behave ethically and with integrity, and to comply with laws. Big River also has in place an existing Whistleblower Policy, which applies not only to its employees but also to its suppliers and their employees, which encourages those persons to speak up and report wrongdoing. All disclosures under the Whistleblower Policy will be investigated and appropriate remediation actions taken.

During the reporting period, Big River updated its Code of Conduct to set out Big River's commitment to not support or deal with businesses involved in modern slavery practices. The changes provide for persons acting on behalf of Big River and Big River's suppliers to not engage in modern slavery, to ensure suppliers engaged have taken all reasonable steps to ensure their businesses and supply chains are free from modern slavery, and to report any actual or suspected modern slavery activities within Big River's operations and supply chains to Big River's company secretary or under Big River's Whistleblower Policy.

No modern slavery risks were reported under Big River's Whistleblower Policy or otherwise during the reporting period.

5.3 Due diligence

When engaging overseas suppliers, Big River conducts due diligence on potential suppliers by undertaking online research, seeking recommendations from industry contacts, and, where those suppliers operate factories, conducting on-site inspections of those factories where possible.

Big River has key personnel visiting the manufacturing sites of those of its key European suppliers at least annually. It has had a lengthy and comprehensive exposure to the employment practices of these suppliers and is of the opinion that this group of suppliers comply with the demanding European standards applicable to the engagement of their workforces and that no modern slavery practices concerns apply in relation to them.

Once suppliers are engaged, where they operate factories, Big River also seeks to undertake informal on-site inspections of those factories at least once a year where possible. These informal on-site compliance inspections have historically focused on reviewing compliance with logging laws and similar laws. While, historically, these on-site compliance inspections have not specifically focused on modern slavery risks, Big River's representatives at those inspections have as a matter of course reviewed the general conditions, including safety conditions, of factory workers at those sites. As a result of COVID-19, Big River was unable to undertake a number of its inspections during the reporting period but intends to undertake them once travel and gathering restrictions lift.

During the reporting period, Big River also prepared a suite of specific, focused questions, aimed at identifying modern slavery risks in its overseas suppliers' operations and supply chains for new and existing suppliers, and will distribute the updated questionnaires to its suppliers to complete.

If Big River identifies any modern slavery risks when undertaking due diligence on potential suppliers, it intends to not engage that supplier unless and until any modern slavery risk has been addressed. Similarly, if Big River identifies any modern slavery risks when auditing existing

suppliers, it intends to terminate its engagement with the supplier or put in place a remedial action plan with the supplier setting out the actions it requires the supplier to undertake to address the risk and the timeframe in which the risk must be addressed.

5.4 **Contract terms**

As noted above, Big River engages its suppliers through purchase orders and standard terms.

During the reporting period, Big River prepared a template modern slavery clause to include in its standard terms with suppliers. This clause imposes obligations on Big River's suppliers to comply with modern slavery laws, notify Big River of modern slavery risks identified in its operations and supply chains, and seek to remedy any such risks identified. This clause also confers on Big River rights to undertake inspections focused on modern slavery risks and to terminate a supplier's engagement if the supplier breaches its obligations under the clause.

5.5 **Actions to be undertaken in next reporting period**

Big River's focus in the next reporting period will be on:

- educating its employees about Big River's new policies on modern slavery referred to in section 5.2;
- reviewing the responses from suppliers to its modern slavery questionnaires referred to in section 5.3 and addressing any modern slavery risks identified through those questionnaires;
- ensuring its on-site supplier inspections referred to in section 5.3 include a specific focus on identifying modern slavery risks; and
- seeking to update its existing supplier terms, initially with non-Australian and New Zealand suppliers, to ensure they contain the modern slavery clause referred to in section 5.4.

Big River is mindful that COVID-19 related travel and gathering restrictions may impact its ability to undertake on-site supplier inspections at least during the start of the next reporting period. Big River will monitor travel and gathering restrictions throughout the upcoming reporting period and, if it seems likely that Big River will be unable to undertake an on-site supplier inspection during that reporting period, will consider alternative ways in which to complete its reviews, such as using videoconferencing technologies or engaging locals to undertake physical inspections under Big River's instructions.

Big River is also mindful that COVID-19 may impact its ability to provide face-to-face training to employees but considers that it will be able to provide reasonably commensurate training using appropriate technology instead.

6 How Big River assesses the effectiveness of such actions

As noted above, Big River has during this reporting period focused on undertaking preparatory actions (such as updating policies, due diligence processes and supplier terms). Big River will start implementing and providing training in respect of those changes over the next reporting period. As such, Big River considers it will be able to better assess the effectiveness of those actions during and after the next reporting period.

Big River is conscious that implementing policies and imposing compliance and reporting obligations on suppliers alone does not eradicate modern slavery risks from its operations and supply chains. As such, Big River's on-site inspections for overseas suppliers (which, as noted above, will include a specific focus on modern slavery risks going forward) will initially be the primary way through which Big River monitors whether its approach to modern slavery is working and making a difference. The on-site supplier inspections will allow Big River to physically inspect and identify any modern slavery risks on-site, as well as assess how accurately and frankly suppliers have responded to the modern slavery questionnaires.

7 Consultation

The Big River entities consulted with one another to develop this Modern Slavery Statement. This involved the CEO, CFO and appropriate senior managers (comprising general managers in Australia and New Zealand) from across the entities working collaboratively and sharing the steps taken by, and experiences of, their respective entities during the reporting period to assess and address modern slavery risks that arose within their operations and their supply chains.

8 Next steps

Big River is committed to not supporting or dealing with businesses involved in modern slavery practices. While Big River is confident that its operations and supply chain have a low risk exposure to modern slavery, it acknowledges that it this is only the first financial year during which it has started specifically focusing on assessing and addressing such risks. During this reporting period, Big River has focused on putting in place appropriate policies and frameworks through which to assess and address modern slavery risks. Going forward, Big River's focus will be on undertaking due diligence and risk assessments of its operations and supply chains, increasing training for employees and seeking adoption of, and compliance with, its updated supplier terms by overseas suppliers. Big River's goal is to be able to confidently state that its operations and supply chain have a low risk of exposure to modern slavery and that it is adequately managing modern slavery risks in its operations and supply chain.

This statement has been prepared in consultation with each reporting entity covered by the statement. This statement was approved by the Board of Big River Industries Limited at a meeting of the Board of directors on 29 June 2020.

This statement is signed by Jim Bindon, a director of the Board of Big River Industries Limited.



Jim Bindon
Managing Director
Big River Industries Ltd