

Modern Slavery Statement

FOREST ONE GROUP PTY LTD (FY25)

Introduction

Established over 140 years ago, Global Wood Pty Ltd and its subsidiaries (“**Forest One**”, “**the organisation**”, “**the company**”, “**it**”, “**its**”) is a Melbourne-based company in the construction industry which specialises in the manufacture of wood panels and timber products and the distribution of panel, timber and decorative surface materials across Australia.

Forest One is committed to upholding human rights as outlined in the Universal Declaration of Human Rights and the principles set out in the ILO’s Declaration on Fundamental Principles and Rights at Work.

This forms the third modern slavery statement and is for the reporting period of 1 July 2024 to 30 June 2025 and addresses the mandatory requirements outlined in section 16 of the *Modern Slavery Act 2018* (Cth) (“**Act**”). This modern slavery statement outlines how the organisation has broadened has enhanced its modern slavery due diligence system and commitment to slavery-free supply chains and operations.

Index

Criteria	Page
Criteria 1 <i>Identify the reporting entity.</i>	2
Criteria 2 <i>Describe the structure, operations and supply chains of the reporting entity.</i>	2
Criteria 3 <i>Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity.</i>	4
Criteria 4 <i>Describe the actions taken by the reporting entity to assess and address those risks, including due diligence and remediation processes.</i>	6
Criteria 5 <i>Describe how the reporting entity assesses the effectiveness of such actions.</i>	8
Criteria 6 <i>Describe the process of consultation with entities that the reporting entity owns or controls.</i>	9
Criteria 7 <i>Any other information that the reporting entity considers relevant.</i>	9

Criteria 1: The Reporting Entity

The reporting entity is Global Wood Pty Ltd ACN 632 960 206 and its wholly owned entities ('Forest One') for the financial year ending 30 June 2025.

Criteria 2: Structure, Operations and Supply Chains

Structure

Forest One is a private company and is the parent company of a group of the following wholly owned entities:

- Forest One Group Pty Ltd (ACN 004 560 605);
- Forest One Australia Pty Ltd (ACN 004 051 003);
- D. & R. Henderson Pty Ltd (ACN 000 449 392);
- Monsbent Pty Ltd (ACN 002 820 117).

collectively, the "Forest One Group".

The Forest One Group is managed from its head office at 601 Victoria Street, Abbotsford VIC 3067.

Forest One is located in all major capital cities in Australia, including Melbourne, Sydney, Brisbane, Perth and Adelaide, as well as regional cities such as Cairns and Townsville. The Benalla site, approximately 200km from the Melbourne CBD, is the organisation's manufacturing site.

The company employs over 220 employees and engages with sub-contractors who are engaged in warehousing and transport operations.

Operations

Forest One is an importer, distributor and manufacturer of wood-based products for the construction market. Forest One's operations have two (2) streams:

1. Manufacturing:

The site manufactures a range of solid timber and particleboard products. This includes:

- (a) framing timber and particleboard sheet flooring, which is suitable for the general construction industry; and
- (b) decorative melamine, which is suitable for use in kitchens, shop fit-outs, and for domestic and commercial furniture.

2. Distribution:

Forest One is Australia's largest independent distributor of plywood, timber, laminate and decorative surface materials for interior and exterior design.

Supply Chains

To sustain Forest One’s business operations, the organisation relies on a network of trusted domestic and international suppliers. In total, Forest One engages with over 3,000 Tier 1 suppliers.¹

The organisation’s core supply chains are summarised as follows.

Product / Services	Core suppliers
Manufacturing operations	Machinery equipment Raw materials Tools
Wholesale & distribution of wood panel, timber, and decorative surface materials	Maritime transportation Customs services Trucks Distribution contractors Wood-based products
Ongoing site-specific operations	Energy and other utilities providers Solar panels Office equipment Cleaning services Skilled trades Transportation services
Group-level operations	IT software and hardware Consulting and auditing Recruitment services Consumables

¹ “Tier 1 suppliers” are the suppliers that Forest One directly engage with (i.e., suppliers that Forest One has direct, contractual relationships with).

Criteria 3 - Risks of Modern Slavery Practices in Operations and Supply Chains

To assess the modern slavery risks in its operations and supply chains, Forest One utilises the “cause, contribute to, and directly linked to” framework from the United Nations Guiding Principles on Business and Human Rights (“**UNGP’s**”).

Relationship to risk	Explanation
Cause	Modern slavery that is caused by the entity itself.
Contribute to	Activities and / or omissions by an entity that facilitates or enables modern slavery to occur.
Directly linked to	Being linked to harm through products, services and / or broader business relationships.

Operational Risks:

Globally, the forestry industry is known to carry some modern slavery risks, particularly when sourcing or operating in countries such as Gabon, India and Turkey.

In Australia, the forestry industry is highly regulated. For example, Forest One is subject to the *Illegal Logging Prohibition Act 2012* (Cth) (“**ILPA**”) which was enacted to eliminate the importation of timber from illegal logging in Australia. The ILPA set out steps that organisations must take to manage the risk of illegally logged timber, including the establishment of a due diligence system with documentation around how the entities ensures that it is not dealing in illegal timber. Forest One complies with these requirements, as further outlined in Criteria 4 below.

Furthermore, across Forest One operations, the organisation ensures:

- Reliance on a local workforce, some of whom have union representation;
- Payment of employees in accordance with local legal requirements; and
- Operating and maintaining facilities and sites in accordance with work, health and safety laws.

Forest One provides an operational grievance handling mechanism and a confidential whistleblower reporting process. This multi-faceted enables the organisation to remain in touch with the evolving concerns and needs of its workforce while catering for matters that may need to be raised confidentially and ensure any whistleblower reports are dealt with appropriately in accordance with the requirements of the *Corporations Act 2001* (Cth).

Due to its robust internal governance mechanisms and the stringent compliance regimes to which it adheres, Forest One considers that the risks of modern slavery in its operations to be low.

Supply Chain Risks

Forest One is committed to business integrity and actively seeks to forge long-term relationships with its key suppliers. It is also committed to working collaboratively with its suppliers to identify and address any potential modern slavery risks. As levels of leverage over suppliers vary, open communication and the exploration of pragmatic avenues to create positive impact within the supply chain are key approaches used to influence suppliers.

The company recognises that no supply chain can be considered entirely free from modern slavery risks, particularly deeper tiers where oversight and visibility are inherently limited. Sectoral research into modern slavery indicates that, within the sector, the most prevalent modern slavery risks commonly relate to:

- forced labour, included bonded labour and trafficking for forced labour;
- exploitation of migrant workers;
- deceptive recruitment;
- dangerous or sub-standard working conditions;
- underpayment of wages; and
- excessive working hours.

The preliminary assessment of the highest risk supply chains performed in FY24 remains as per below:

Supply chain	Modern slavery risks associated with the sector (in line with UNGPs)
Vehicles and trucks	<p>Vehicles and trucks, including the mined raw materials cobalt, carry heightened modern slavery risks.</p> <p>Factors, such as weak labour laws, lack of enforcement of human rights, poverty and conflict, lead to heightened degree of modern slavery risks in the vehicle and truck industry.</p>
Solar Panels	<p>Solar panels, and their raw material polysilicon, carry heightened modern slavery risks, particularly raw materials, when sourced from the Xinjiang Uyghur Autonomous Region in China.</p>
Construction	<p>The construction industry carries heightened modern slavery risks due to the prevalence of systemic overtime, hazardous working conditions and explicit instances of modern slavery such as forced labour and child labour.</p>
Cleaning services	<p>The cleaning industry carries heightened modern slavery risks because of the prevalence of risk factors such as:</p> <ul style="list-style-type: none"> - large volumes of migrant workers in the industry; and - the prevalence of deceptive recruiting practices such as debt bondage.
Wood panel, timber, and decorative surface materials suppliers	<p>These timber sectors have an inherent risk of modern slavery due to their reliance on an unskilled labour, however the level of risk varies geographically depending on where the suppliers are based.</p> <p>For example, European suppliers generally present a lower risk, largely due to the lower prevalence of modern slavery in these countries, strong government response to modern slavery risks, and a high number of its suppliers being FSC or PEFC-certified. These certifications demonstrate a commitment to responsible forestry practices and are often paired with higher social responsibility standards.</p> <p>In comparison, countries and regions with a higher inherent risk such as South-East Asia and Turkey pose a heightened modern slavery risk because of the inherent modern slavery risks associated with these countries, in particular the risks of forced labour and the high prevalence rates in these countries. Some manufacturing industries within these regions have a higher reliance on a migrant workforce, increasing the risk of modern slavery.</p>

Criteria 4 - Actions taken to assess and address modern slavery risks

The modern slavery due diligence system is guided by the UNGP's and the OECD Due Diligence Guidance for Responsible Business Conduct. Forest One is committed to considering the human rights implications of its decisions and enhanced its human rights due diligence process while considering factors such as company size, leverage and circumstances. This process will focus on identifying, preventing and mitigating modern slavery risks, and reasonably remedying any human rights impacts within its operations and supply chains.

During FY25, the following actions were undertaken:

Supply chain risk assessment method

Currently, steps in the modern slavery due diligence system are as follows:

Step 1: Inherent risk identification

The first step in the risk assessment process involves reviewing a supplier's inherent risk profile, taking into account factors such as sectoral risk, country risk, and workforce skill level. In FY25, the Modern Slavery Risk Management process was further enhanced through the use of relevant country-level data sourced from internationally recognised and reliable databases. Each indicator was assigned a weighting (Low, Medium or High), which contributed to an overall risk score.

The country-level indicators used include:

- Global Slavery Index (GSI) – Prevalence;
- Global Slavery Index (GSI) – Vulnerability;
- Corruption Perceptions Index (CPI);
- Rule of Law Index;
- Voice & Accountability;
- Political Stability & Absence of Violence/Terrorism;
- Control of Corruption;
- Government Effectiveness;
- Human Development Index (HDI);
- Youth Unemployment Rate;
- Migrant Population % or Influx.

Further, this country-level score is assessed alongside the overall sectoral risk score, drawing on the U.S. Department of Labor's 2024 *List of Goods Produced by Child Labor or Forced Labor*.

Step 2: Supplier risk identification

In FY25, Forest One mapped out all active suppliers and assigned a risk level based on their ANZSIC code

Chain of Custody due diligence processes

Specifically for core timber suppliers, Australia's *Illegal Logging Prohibition Act 2012* ("ILPA") was enacted to eliminate the import of illegal logging. In accordance with the requirements, Forest One maintains a comprehensive Chain of Custody Due Diligence System for all regulated wood panel, timber-related imports in line with Forest One's Responsible Sourcing Policy and the ILPA.

A certified third-party auditor reviews the Chain of Custody Due Diligence System on a yearly basis to ensure full compliance with the ILPA and any associated regulations. Recognising the link between illegal logging and modern slavery practices, particularly forced labour, relevant learnings and applicable elements of this system have been incorporated into the modern slavery due diligence and evaluation process, in line with compliance requirements under the Act, which is informed by both international and national guidelines.²

Embracing certification standards to decrease risk of modern slavery in Forest One's supply chains

The FSC® certification complies with comprehensive social, environmental and management standards, which are captured as part of its modern slavery due diligence systems and processes. This form of certification assists in mitigating modern slavery risk within Forest One's supply chains. The PEFC certification has safeguards and social sustainability requirements that cover labour and ethical issues.

Upholding international Forestry laws

² For example, the UN Guiding Principles on Business and Human Rights and the ETI Human Rights and Due Diligence Framework.

Additionally, many of Forest One's suppliers adhere to extensive standards under their respective countries of origin forestry laws, such as *European Union Timber Regulation* and *Timber Legality Assurance Scheme* in Indonesia. This legal framework attests to a stronger government response, contributing to reducing the inherent risks associated with the suppliers from these countries.

Operations

In FY25, additional relevant policies were developed, including:

- Modern Slavery Policy;
- Recruitment & Selection Policy, which now includes ethical recruitment standards and creates the first line of defence against unethical recruitment from third-party recruitment agencies.

Due to economic and operational pressures, Forest One's teams were operating at full capacity, limiting broader engagement with internal stakeholders at warehouse and manufacturing sites prior to a business restructuring.

Criteria 5 - Assessing the effectiveness of actions

The purpose of the actions undertaken during this reporting period was to stabilise the foundations of the due diligence system. This included developing an inherent country risk score, for example, by avoiding sourcing from countries identified as higher risk.

The modern slavery and recruitment and selection policies help address and limit modern slavery risks by establishing clear organisational expectations, embedding ethical labour practices into hiring processes, and promoting awareness, accountability, and due diligence across the organisation and its supply chain.

In FY26, the organisation will continue to embed the due diligence as part of due diligence system throughout its supply chain operations.

To assist in driving its modern slavery compliance framework going forward and ensuring that Forest One meets the continuous improvement approach underlying the Act, Forest One may engage external consultants. While not required for compliance, this independent oversight, with a legal perspective, could help enhance Forest One's ongoing compliance efforts.

Criteria 6 - Consultation

This Modern Slavery Statement is issued by Forest One on behalf of the Forest One Group.

The Forest One Group has centralised governance practices to ensure that there are consistent practices throughout the Forest One Group. For example, the Board governs the entire Forest One Group.

In FY25, operations D.&R. Henderson Pty Ltd and Monsbent Pty Ltd continue to be integrated into Forest One's processes. The Group Procurement Manager, HR Manager and ESG Specialist – each delegated specific responsibilities under the modern slavery compliance framework – hold roles that extend across the entire Forest One Group.

Criteria 7 - Other Relevant Information

Forest One has established a modern slavery compliance framework, including a due diligence system, relevant policies, and governance oversight across the Group. While some elements of the framework are still being refined and integrated across all operations, the organisation is committed to continuous improvement and will continue to strengthen its assessment and mitigation of modern slavery risks in future reporting periods.

This statement is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) and was approved by the Board of Forest One Group Pty Ltd on behalf of the Forest One Group. It forms Forest One Group's modern slavery statement for the year ended 30 June 2025.



Ian Fankhanel
Managing Director