

**HANCOCK VICTORIAN PLANTATIONS PTY LIMITED
MODERN SLAVERY STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024
PUBLISHED DECEMBER 2024**



Acknowledgement of Country

Hancock Victorian Plantations Pty Limited ACN 084 801 132 (HVP) respectfully acknowledges the Traditional Custodians of Country and their deep connections to land, water, and community. We pay our respects to Elders past and present and extend that respect to all First Nations people today. We are committed to strengthening our relationships with First Nations people and being guided by their knowledge of and connection to the land on which we live, work, and learn.

Introduction

The *Modern Slavery Act 2018* (Cth) (the Act) aims to address the need to identify and mitigate modern slavery risks by requiring Australian entities or those which carry on business in Australia with a minimum annual consolidated revenue of \$100 million to report on the risk of modern slavery in their operations and supply chains, as well as the steps taken to respond to the risks identified. In line with these requirements, HVP is committed to continuously identifying and addressing any actual or potential risks within its operations or business relationships.

The HVP group includes two trading entities, HVP and Grand Ridge Plantations Pty Ltd ACN 004 285 705 (GRP). HVP is owned by a number of financial institutional investors and pension funds based in the United States, Asia and Australia. Following a transfer of assets from GRP to HVP effective on 4 January 2021, GRP has ceased operating but still remains registered. Accordingly, whilst this statement covers both HVP (a reporting entity within the meaning of the Act) and GRP, it substantially outlines the risks identified and actions taken by HVP only to identify and mitigate modern slavery risks that continue to be potentially relevant to operations over the year ended 30 June 2024 (FY2024). It has been prepared to comply with the requirements of Sections 14 and 16 of the Act and has been approved by HVP's Board of Directors.

HVP's Modern Slavery Policy is based on HVP's Mission Vision Values statement and the key principles of:

- **INTEGRITY** – We do the right thing when no-one is watching
- **RESPECT** – We respect our people, stakeholders and the environment
- **COMMERCIAL AND CUSTOMER FOCUSED** – We make every tree count
- **RESPONSIBLE AND ACCOUNTABLE** – We take ownership of decisions
- **INNOVATION** – We will do things better tomorrow than we did today

HVP is committed to ensuring that it operates in an ethical and responsible way. As with all human rights violations, HVP has a zero-tolerance policy for any type of slavery, servitude, child labour, forced labour and human trafficking and will continue to work towards minimising these risks.

Our Structure

Hancock Victorian Plantations Pty Limited ACN 084 801 132 (HVP) and Grand Ridge Plantations Pty Ltd ACN 004 285 705 (GRP)

HVP is one of Australia's largest private timber plantation companies, managing approximately 240,000 hectares of land for forestry and conservation across Victoria. HVP's plantation estate annually supplies approximately three million tonnes of softwood (pine) and 300,000 tonnes of hardwood (eucalypt) to processors in Victoria, South Australia and New South Wales which manufacture a broad range of construction, landscaping and packaging products. These include timber framing, engineered wood beams, plywood, fibre board, posts, poles, paper and cardboard.

Additionally, HVP manages approximately 48,000 hectares of native vegetation across Victoria for conservation purposes and also operates a forest nursery at Gelliondale in South Gippsland which raises seedlings and cuttings for the establishment of plantation forests. The nursery has a current out the gate capacity of approximately 12 million new trees each year.

HVP's plantations estate spans areas of southern and north-eastern Victoria, extending from the Koetong Plateau in the far north-east to the border with South Australia in the west. In addition, HVP has significant hardwood and softwood plantation forests for timber production in Gippsland.

HVP directly employs approximately 150 employees in our regional and district offices and depots in Ballarat, Churchill, Myrtleford, Shelley, Benalla, Mount Gambier, Yarram, Colac and our corporate head office in Melbourne. HVP's harvesting, haulage, roading, quarry and silvicultural contractors employ another approximately 700 people across the Northern, Western and Gippsland regions. HVP's suppliers are located predominantly in Australia and the entirety of its workforce is made up of local Australian contractors. Contractors are engaged to undertake works across silviculture, roading, nursery, research, harvesting and haulage. Contractors also supplement HVP's permanent workforce in relation to fire protection which can involve prescribed burns, fire tower observation and wildfire suppression. Other supply chains include uniforms and Personal Protective Equipment, IT infrastructure and support, chemicals and fertilisers and professional consultants.

In line with our Mission to "manage the plantation estate in a safe and sustainable way to optimise the return to our investors whilst balancing the needs of our employees, customers and local communities", HVP aims to strengthen the communities in which we operate. A key way we do this is by buying locally to deliver benefits for communities, suppliers and our business.

HVP's registered office is located at the World Trade Centre, Level 12, Tower 4, 18-38 Siddeley Street, Melbourne, Victoria 3005.

Operations and Supply Chains

As a result of the types of operations engaged in by HVP and our local contractor base, HVP considers the risk of modern slavery to be low. However, HVP acknowledges that it could be indirectly exposed to the risks of modern slavery practices via its supply chains which, potentially, include the following:

- Using unskilled temporary or seasonal labour (at the nursery and as fire crew during the fire season).
- Sourcing uniforms and personal protective equipment, chemicals and fertilizers, and Information Technology software and equipment from suppliers with potential overseas supply chain links.

The vast majority of HVP's employees are employed under and in compliance with relevant industry awards or individual contracts. There are 40 employees (both full-time and part-time) covered by an enterprise bargaining agreement. These agreements cover employment matters such as wages, overtime, allowances, leave and redundancies. HVP engages with the CFMEU in respect of represented employees and there have been no disputes with the trade union in respect of any modern slavery type allegations to date.

As reported previously, HVP has carried out a risk assessment process across its business operations including all of its suppliers against known modern slavery risk factors. The suppliers were identified from HVP's finance database, as well as from information provided by HVP's functional managers, regional managers and senior management team. This risk assessment identified the following procurement areas as being of potentially higher risk in terms of modern slavery practices: seasonal worker arrangements, IT services and equipment, and corporate and personal protective clothing. No new higher risk categories have been identified since HVP's initial risk assessment.

HVP's risk assessment process will continue to review the geographical profile of our supplier base using the Global Slavery Index 2023. Whilst we do not believe there is any material exposure to suppliers who are based in countries that have a high risk of modern slavery, we acknowledge that some of our suppliers may source products from higher risk countries and we are committed to continuing to develop our modern slavery risk management program to identify and manage any such risks identified.

Managing Modern Slavery Risks

Governance

HVP's Board of Directors has overall responsibility for governance and oversight of modern slavery risks and approval of this statement. HVP has a risk management policy and framework in place in order to identify and manage risks that adversely impact or threaten to adversely impact our business, people, customers, assets and the public. The Board is responsible for ensuring that the Executive Leadership Team manages risk effectively and to this end, the Board's Governance Committee, Audit Committee and Health, Safety and Environment Committee oversee risk management activities across the business. HVP's senior management team ensures that the Board is adequately informed of significant risk management activities and mitigating actions to manage risks by way of regular reporting at Board meetings. The Committees are also kept informed of any emerging risks on an ongoing basis.

As noted previously, HVP has taken the advice of external legal counsel on the requirements of the Modern Slavery Act 2018, attended training provided by a second provider of legal services and engaged an external legal compliance service in order to be kept up to date with developments in relation to modern slavery legislation and compliance.

HVP also developed its first Modern Slavery Policy in 2020 which functions alongside other key operational policies including the Occupational Health and Safety and Forest Stewardship Policies. This gives the issue of Modern Slavery added prominence within HVP's cultural landscape. This policy is reviewed every three (3) years with the most recent review undertaken in FY24.

Supplier engagement and management

All of HVP's contractors are local and HVP has regular contact and close working relationships with all its contractors across the regions. Many of HVP's contractors have been engaged for significant lengths of time and HVP has built up an in depth understanding of their operations and personnel.

Contractors working at HVP's plantations are required to comply with our health, safety and environmental standards and fair employment practices as part of their contractual obligations. In addition, at regular intervals HVP seeks renewed declarations from contractors/suppliers regarding the following:

1. That their organisation is aware of the concept of modern slavery and that they have reviewed their operations to identify any risks of modern slavery that might be present.

2. If they have identified any risks of modern slavery in their organisation to inform us as to what these are, as well as the steps that they have taken to manage, reduce and eliminate the risk.
3. That they have made enquiries of entities in their own downstream supply chain as to whether or not modern slavery risks are present in their operations. If the response from any of their downstream suppliers has been affirmative to the presence of modern slavery risks, to provide details to us.
4. That neither they, nor anyone in their business, has been convicted of any offence of modern slavery.

HVP also manages modern slavery risks through relevant clauses in HVP's contracts with contractors and customers which include requirements that they:

- Have procedures to ensure that there is no Modern Slavery in their supply chains and operations;
- Advise HVP of any risks or events of Modern Slavery in their supply chains or operations; and
- Comply with the reasonable directions of HVP to remediate any risks of Modern Slavery in their supply chains or operations.

In addition, HVP's contracts place a further obligation on all contractors to comply with their employment law obligations including human rights laws and the provision of all employee entitlements as required by law.

HVP has not discovered any modern slavery concerns with its current contractors/suppliers to date.

HVP undertook the following activities in FY2024:

- Undertook a review of its Modern Slavery Policy.
- Implemented updated procurement and contractor management processes which included consideration of modern slavery risk factors by way of a Modern Slavery Questionnaire in addition to our standard due diligence as a way of standardising these processes.
- Continued to incorporate modern slavery clauses in relevant contracts/supplier agreements and monitor contractor/supplier compliance with workplace obligations.
- Undertook risk assessments of our contractors/suppliers against known modern slavery risk factors which are then overlayed with the geographical profile using the Global Slavery Index

2023. As mentioned above, we have not found any material exposure to current suppliers who are based in countries that have a high risk of modern slavery.

- Undertook a review of seasonal worker arrangements to ensure compliance with legislative requirements including the Modern Slavery Act 2018.
- Engaged a new local supplier of personal protective clothing and uniforms after conducting a thorough review process.
- Undertook extensive reviews of prospective IT suppliers for links to countries with high risks for modern slavery, with some such risks being identified and those suppliers no longer in consideration.
- Commenced workshops with internal stakeholders and undertaking reviews of contractor management systems in order to implement a more structured and consistent approach to such matters which include consideration of modern slavery risks across the business.

Benchmarking

High level strategic benchmarking has been undertaken through the review of publicly available Modern Slavery Statements of other industry partners. HVP's approach reflects similar steps taken by other industry partners and will form a component of our Modern Slavery Statement in FY2025 and guide us as we further develop our modern slavery processes.

Our Policies

HVP is committed to ethical business practices and this commitment is supported by our company policies including:

Procurement Policy

Our procurement policy and principles affirm our commitment to human rights and seeks to embed the consideration of modern slavery risk factors during the supplier selection process. This policy has recently been reviewed and updated.

Whistleblower Policy

Our whistleblower policy commits to the highest standards of conduct, integrity, ethical behaviour, and compliance with the law, is applicable to suppliers, is publicly available and provides for confidential and anonymous reporting of 'concerns', which encompasses modern slavery practices. The identity of any individual making a disclosure is kept confidential, and the concern is thoroughly

investigated. To date, there have been no reported incidents involving modern slavery type allegations.

Sustainable Forest Management

Our sustainable forest management policy requires HVP to operate in a socially responsible manner. More information on the certification process is set out below.

Our Certification

HVP is deeply committed to Victoria's regional forest industries and the communities of which we are a part. Our forest certifications are an important safeguard for ensuring our business systems mitigate against the risk of modern slavery. HVP was the first forestry company in Australia to be awarded international Forestry Stewardship Council (FSC-C014387) certification. HVP has been certified to the FSC standard for more than fifteen (15) years and as such demonstrates a long-term commitment to adhere to the FSC Principles and Criteria and applicable FSC Policies and Standards. In addition, HVP has achieved internationally recognised Responsible Wood forest certification (AS4708) endorsed by the Programme for the Endorsement of Forest Certification (PEFC), making ours the first forestry company in Australia to achieve dual certification.

FSC certification imposes certain standards in relation to workers' rights including the requirement to promote and realise the principles outlined within International Labour Organisations Conventions. The Responsible Wood certification requires HVP to demonstrate that all forest workers are engaged freely, are duly compensated and that HVP is compliant with legal obligations creating minimum employee entitlements.

Further, FSC re-certification is required to be undertaken every five (5) years, with surveillance audits carried out every twelve (12) months. Responsible Wood re-certification is undertaken every three (3) years, with surveillance audits carried out every nine (9) months. In response to these requirements, HVP has implemented an annual management review program to ensure compliance with certification requirements.

Audits conducted in FY24 did not reveal any modern slavery type concerns.

Future plans

Our people (employees and contractors) are a key reason for our success and we take our responsibilities and duties towards our people seriously. We are committed to constantly working towards identifying and managing any potential human rights impacts in our supply chains. We also consider our position as a key industry player as a lever to manage these impacts as much as we can. The roadmap below highlights our key areas of focus for the next year noting these may change as we continue to develop our modern slavery program.

Modern Slavery Roadmap

- Continue regular modern slavery awareness sessions for employees involved in procurement and the supervision of contractors in higher risk categories.
- Continue assessment of contractor management systems towards a centralised risk assessment process for new and ongoing contracts.
- Undertake due diligence of current contractors/suppliers to ensure ongoing compliance with legislative requirements.
- Increase collaboration with industry partners to identify available due diligence information to highlight areas of concern within the supply chain.

Assessing Effectiveness

HVP monitors the effectiveness of steps taken to address modern slavery risks in our operations and supply chains by engaging with suppliers and also soliciting feedback from relevant internal stakeholders. As our modern slavery compliance program continues to evolve, we intend to formalise the way in which we measure and actively manage compliance, progress and effectiveness. Our roadmap has been developed with this in mind so we can look back and assess the effectiveness of our approach and inform our path forward.

Since our initial Modern Slavery Statement, all of HVP's contractors/suppliers have been assessed for compliance and have contractual terms in place to abide by modern slavery provisions. As part of the process, letters were sent out to them seeking their confirmation in relation to their modern slavery position. Where modern slavery links were identified, HVP ended its association with those contractors/suppliers. This process of ongoing due diligence will enable HVP to actively monitor its contractors/suppliers.

HVP has increased awareness within its business in relation to modern slavery risks which has informed HVP's new supplier selection.

No modern slavery type issues have been raised through regular third-party audits of HVP's internationally recognised certification (which contemplates key ESG issues).

Benchmarking is assisting HVP in identifying areas for improvement within its modern slavery program, as well as collaboration with industry partners.

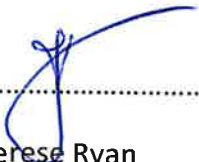
Consultation

HVP continues to engage the support of external advisers as necessary and has also consulted with subject matter experts within our company including our human resources, risk, operations and finance teams. The HVP Board was also given the opportunity to review and provide feedback on the draft statement.

Moving forward, HVP will continue to consult across the organisation to review policies, processes and supplier arrangements going forward to ensure the measures in place support and further HVP's commitment to combatting the risks of modern slavery in our business and supply chain.

Approval

This joint statement was approved by the Hancock Victorian Plantations Pty Limited Board of Directors (in accordance with section 14(2)(d)(ii) of the Act) on 5 December 2024 and is signed by the Chair of Hancock Victorian Plantations Pty Limited behalf of Hancock Victorian Plantations Pty Limited and Grand Ridge Plantations Pty Ltd.

A handwritten signature in blue ink, appearing to be 'Therese Ryan', written over a horizontal dotted line.

Therese Ryan
Chair

Addressing the Modern Slavery Act's Mandatory Reporting Criteria

<u>Modern Slavery Act Mandatory Reporting Criteria</u>	<u>Relevant sections addressing criteria</u>
Identify the reporting entity	Introduction (page 2)
Describe the reporting entity's structure, operations and supply chains	Our Business (page 3) Operations and Supply Chains (page 4)
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Operations and Supply Chains (page 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	Managing Modern Slavery Risks (pages 5-8)
Describe how the reporting entity assesses the effectiveness of such actions	Assessing effectiveness (page 9)
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	Consultation (page 10)
Include any other information that the reporting entity, or the entity giving the statement considers relevant.	Future Plans (page 8)

