



## **Modern Slavery Statement**

**Associated Kiln Driers Pty Ltd**

**(ACN 004 341 048)**

**Reporting Period (1 July 2022 – 30 June 2023)**

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**Registered Office:**

15 Forest Street

Colac, Victoria, 3250, Australia

## Associated Kiln Driers Pty Ltd - Modern Slavery Statement Financial Year Ending 30 June 2023

### 1. Introduction

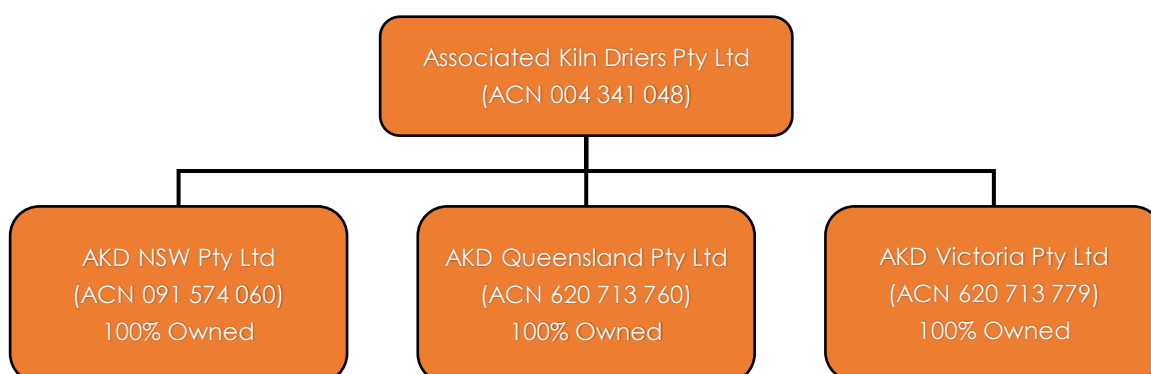
This Modern Slavery Statement ("Statement") has been prepared by Associated Kiln Driers Pty Ltd ("AKD"), ACN 004 341 048 and its subsidiary reporting entities in accordance with the *Modern Slavery Act 2018 (Cth)* for the reporting period 1 July 2022 to 30 June 2023.

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.

### 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)
- AKD Timber Trading Pty Ltd (ACN 623 057 429)
- AKD BV Pty Ltd (ACN 629 788 290)

This statement applies to all entities listed above and all entities have been consulted in the development of this statement.

### 3. AKD's Operations and Supply Chain

AKD operates on the east coast of Australia, processing domestically grown sawlogs and supplying timber 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 1,200 plus employees across Australia. No employees are on temporary work visas. AKD recruits employees directly and does not engage labour providers or agencies for employee recruitment. 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 reviewed the number of active suppliers it conducted business in the reporting period and now has over 1480 active suppliers with 97% of these based in Australia. AKD sources a range of goods and services from the suppliers for the growing, harvesting, processing and distribution of timber to its customers in Australia.

AKD's 36 overseas suppliers used are based in the following regions:

- New Zealand 9
- United States of America 17
- Canada 5
- Europe 6

These suppliers provide specialist plant, 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<sup>1</sup>. 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.

AKD is exposed to potential risk through:

1. Sourcing product directly from overseas suppliers (e.g., plant, equipment, and asset spare parts).
2. Sourcing from multinationals with a local presence e.g., timber treatment chemicals.
3. Local retailer/distributors sourcing products from overseas e.g., uniforms and IT equipment.

No AKD supplier is in a country identified as a high prevalence of modern slavery or vulnerability to modern slavery.<sup>1</sup>

#### **5. Actions Taken to address risks – current reporting period**

##### **5.1 Supplier Questionnaires**

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

Over 250 new Australian suppliers were engaged during 2022/23 for:

- One off purchase of goods and services.
- Occasional purchases of low volume items.
- One off capital expenditure purchase.

New suppliers completed a modern slavery questionnaire as part of the onboarding process, and this identified:

- 97% of new suppliers are Australia based.
- All new overseas suppliers are from a country with low modern slavery risk (New Zealand, North America, Europe).
- Most new suppliers are engaged for one-off purchases, providers of a specific service or a provider of an ongoing service with low annual spend.
- New suppliers are more likely to be a service provider than a supplier of goods.

Surveying of strategic suppliers identified this year's grouping has processes in place to address their exposure to modern slavery risks.

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<sup>1</sup> The Global Slavery Index 2018, Walk Free Foundation

To better focus AKD's modern slavery questionnaire internal guidelines were introduced to target if:

- a product is being sourced directly from overseas suppliers (product origin may determine if modern slavery may contribute to its manufacture);
- the product is being sourced from a multinational with a local presence;
- a local retailer/distributor is sourcing a product from overseas? (e.g., uniforms, technology);
- the expenditure is more than \$10,000;
- the supplier has more than ten staff or has staff contracted from an employment agency; and
- the expenditure involves the use of a recruitment company for staff hire.

The survey responses supported AKD's assessment that the group's exposure to key Modern Slavery risks via the operations, practices and behaviours of suppliers is low.

## **6. Actions in the Next Reporting Period**

The following actions will be completed during 2023-2024, prior to submission of the Modern Slavery Statement for the 2024 Financial Year.

AKD will continue:

- Utilising AKD's modern slavery questionnaire for new suppliers onboarded in FY24 to assess exposure to key Modern Slavery risks as part of onboarding.
- Utilising AKD's modern slavery questionnaire to assess exposure to Modern Slavery risks from existing strategic suppliers (staged).
- Access the Attorney - General's Department Online Register for Modern Slavery Statements to review new supplier modern slavery statements and to identify whether strategic suppliers have registered modern slavery statements.

## **7. How AKD will assess the effectiveness of such actions**

Questionnaire responses show suppliers follow requirements of the Modern Slavery Act 2018 (Cth) and Fair Work Commission regarding employment conditions and that no supplier sources goods or components from countries where the risks of modern slavery and human trafficking are high.

AKD will continue to survey new and strategic suppliers monitoring compliance and follow up where monitoring identifies areas of concern.

This statement was approved by the Board of Associated Kiln Driers Pty Ltd at a meeting of the Board of Directors on 8 December 2023.

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



Shane Vicary  
Director  
Associated Kiln Driers Pty Ltd