



**WOODHOUSE**

**FY25**

**MODERN SLAVERY  
STATEMENT**

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## MESSAGE FROM THE MANAGING DIRECTOR

WMD Capital Pty Ltd / Woodhouse Timber (Woodhouse) is a family-owned and operated wholesaler of interior and exterior building products. We are committed to ethical sourcing and to identifying and reducing modern slavery risks across our operations and supply chains.

Modern slavery remains a significant global issue. While no new global estimates have been released since our previous reporting period, the 2022 Global Estimates of Modern Slavery Report found that 50 million people were living in modern slavery in 2021, with women and girls accounting for 53 per cent of those affected. In Australia, the Global Slavery Index 2021 estimates that approximately 41,000 people were living in modern slavery.

These figures reinforce the importance of strong governance, ethical procurement practices, and ongoing due diligence in our supply chains.

Our business divisions work closely with suppliers and retail partners, and we collaborate with external organisations to strengthen our ability to identify, assess and address modern slavery risks. During FY25, our focus was on:

- increasing organisational capability to implement responsible sourcing practices;
- strengthening management systems and governance to address human rights and sustainability risks; and
- investing in systems and services that improve visibility, oversight and due diligence across our supply chain.

FY25 represented a year of meaningful progress. We recognise that addressing modern slavery risk is an ongoing process, and we remain committed to improving transparency, traceability and ethical sourcing across our operations.

MARK WOODHOUSE  
MANAGING DIRECTOR AND PRINCIPAL GOVERNING BODY OF WMD CAPITAL PTY LTD

**OUR REPORTING ENTITIES**

WMD Capital Pty Ltd makes this Statement as the reporting entity for the *Modern Slavery Act 2018* (Cth) (MSA) and covers the operations and supply chains of entities it owns and controls.

This Statement covers the activities of WMD Capital Pty Ltd [ACN 649 791 604] and its subsidiaries: Woodhouse Timber Company Pty Ltd [ACN 010 503 161], WTC Employco Pty Ltd [ACN 626 882 595], and Merch House Pty Ltd [ACN 618 210 898] (henceforth collectively referred to as Woodhouse), for the financial year commencing 1 July 2024 and ending 30 June 2025 (FY25 Statement Period; hereafter referred to as FY25)

It outlines the steps Woodhouse has taken to ensure compliance with MSA.

**Woodhouse Group of Companies** | Organisational Chart and Structure



**OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS**

Woodhouse is a family-owned and operated business that was established in 1983. Woodhouse is a leading national wholesaler of timber products. Our main business functions are marketing and distributing a wide range of imported, predominantly timber-based, building materials.

In Australia during FY25, Woodhouse operated from 5 warehouse distribution centres across Sydney, Melbourne, Perth, Brisbane and Adelaide. Our head office is in Brisbane, Australia. During FY25, we employed approximately 91 people across our business, including contractors and subcontractors.

For this Statement, WMD Capital Pty Ltd is the reporting entity, whose operations and associated supply chains are relevant to FY25. The pertinent physical locations are as follows:

<b>WMD Capital Pty Ltd [ACN 649 791 604] Proprietary Limited Company</b>			
<b>Subsidiary Name</b>	<b>Merch House Pty Ltd</b>	<b>Woodhouse Timber Company Pty Ltd</b>	<b>WTC Employco Pty Ltd</b>
<b>Subsidiary Location</b>	Brisbane (head office & distribution centre) and distribution centres in Sydney, Adelaide, Melbourne and Perth.		
<b>Subsidiary Core Functions</b>	Visual Merchandising Team – working with customers to vendor refill stock.	Importation, marketing, and distribution of predominantly timber-based products to customers in Australia.	Human Resources and Recruitment.

## Trade Supply Chain

Our trade supply chain consists of local and international timber products and suppliers. Our categories of products include, but are not limited to:

- Merbau posts from Indonesia;
- Lining boards from Europe and China;
- Pre-primed interior pine from China and Vietnam;
- MDF from China;
- Pre-primed exterior pine from New Zealand and China;
- Pre-primed exterior pine from Chile; and
- Freight from Australia.

## Structure of Supply Chain Arrangements

Woodhouse has stable, long-term relationships with its suppliers. Many of these relationships have been maintained for up to 40 years, such as those with suppliers in Australia, New Zealand and China. Woodhouse has active and frequent consultations with its suppliers, which provide an opportunity to build mutually dependent supplier-customer relationships while increasing the transparency and accountability of its supply chain.

Executive management from Woodhouse visits suppliers in our key sourcing countries regularly. For Chinese and New Zealand suppliers, this occurs twice a year. For European, Indonesian and Vietnamese suppliers, this happens once every two years.

At present, these visits are structured in such a way that executive management speaks with suppliers about several key areas, including:

- the evaluation of the work health and safety conditions of workers;
- product safety;
- raw material sourcing; and
- other general commercial or functional arrangements.

Woodhouse recognises the opportunity these supplier visits provide for a deep engagement on modern slavery risks. Accordingly, Woodhouse intends to expand these visits into a structured audit in the next Reporting Period, in which documentation will be collected and records made of all interactions against a specific checklist.

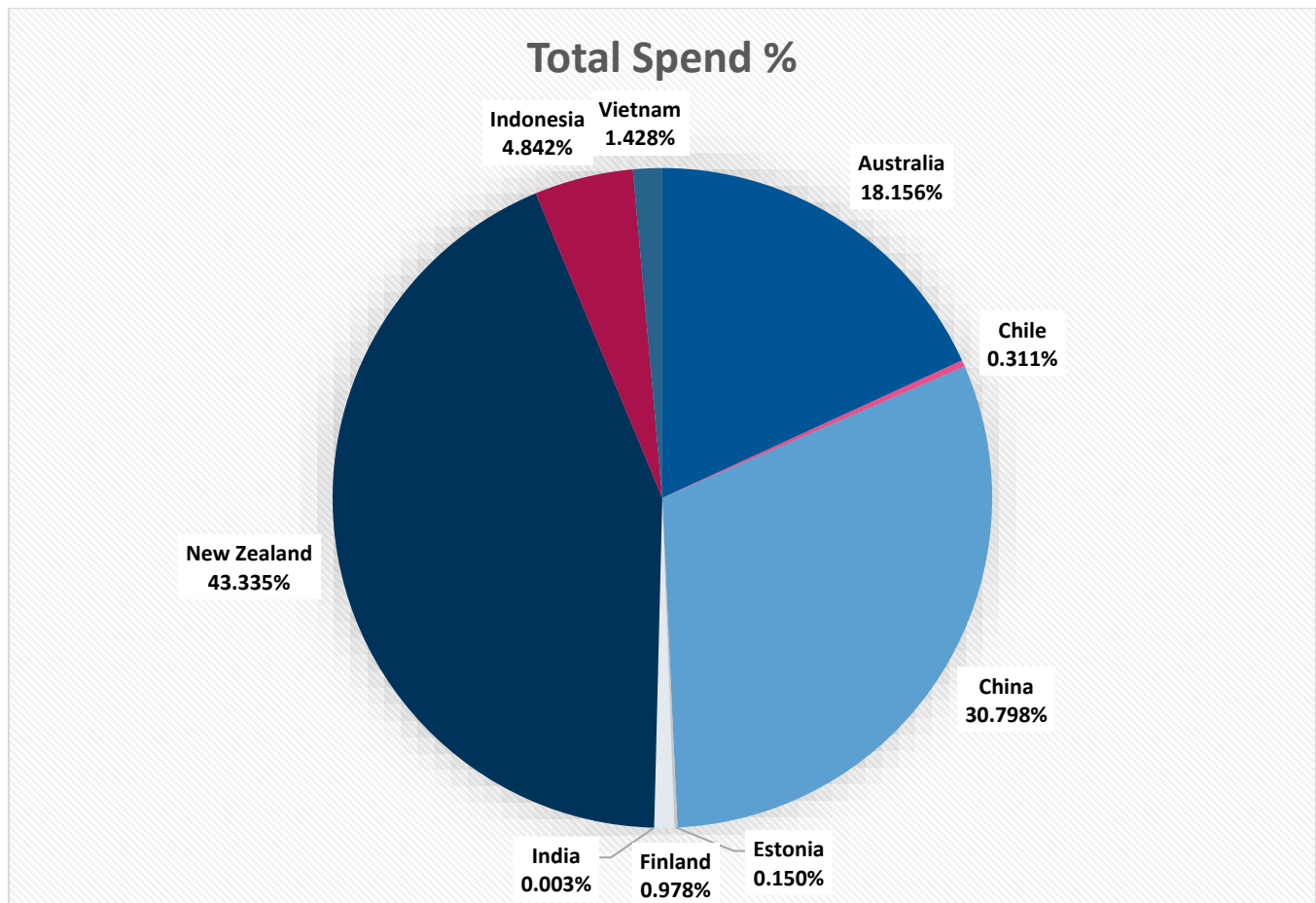
### Summary of Reporting Period Spend by Country

An analysis of our Tier 1 trade supply chain has enabled us to identify the countries from which the majority of our products originate.

The graph below indicates the % of Woodhouse’s total spend that was mapped to the country where the spend occurred.

As provided in the Graph, the top three countries of origin are:

- New Zealand (43%);
- China (31%); and
- Australia (18%).



## Supply Chain Mapping

All international suppliers are required to hold FSC and/or PEFC certification. These certification schemes include third-party audits against environmental and social criteria, including labour standards aligned with International Labour Organisation conventions.

As at the end of the Reporting Period, 97 per cent of Woodhouse products were purchased as FSC or PEFC certified. Of this, over 99 per cent of timber products were FSC certified, with less than 1 per cent PEFC certified.

Woodhouse recognises that certification alone does not eliminate the risk of modern slavery. Certification is therefore treated as one input into our broader due diligence approach, rather than as a standalone control.

During the previous reporting period, one supplier provided a small proportion of controlled but uncertified timber sourced from New Zealand, which is considered a low-risk country. While lawful, this was assessed as inconsistent with Woodhouse's risk appetite. Woodhouse worked with the supplier to transition to complete certification and now receives exclusively FSC-certified products from that supplier.

## Non-trade Supply Chain

Our non-trade supply chain consists of service providers and contractors across a range of industries, including:

- Maintenance services;
- Training providers;
- Consultancy services;
- Office suppliers;
- PPE providers;
- Insurance;
- Forklift services;
- Cleaning services;
- IT services;
- Freight services;
- Mail services;
- Security providers;
- Fire protection services;
- Audit and accounting services;
- Marketing services; and
- Travel agencies.

Higher-risk non-trade services are considered to include cleaning, logistics and freight, and offshore IT services, due to the known risks of underpayment and exploitation of migrant labour.

## **Governance for Modern Slavery**

Woodhouse continues to review and strengthen its governance arrangements to improve oversight, accountability and risk management in relation to modern slavery. During FY25, independent consultants were engaged to support improvements to governance processes and to assist in identifying areas of higher risk within our operations and supply chains.

Woodhouse has assessed a range of third-party systems to support modern slavery due diligence and recognises that governance frameworks and tools will continue to evolve. While the implementation of a formal analysis system was planned for FY25, this did not occur and has been deferred to the next reporting period.

## **United Nations Guiding Principles on Business and Human Rights**

Woodhouse uses best efforts in its governance and operations to ensure it follows the approach of the United Nations Guiding Principles on Business and Human Rights (UNGPs), including to ensure:

- it does not cause modern slavery in its operations or supply chains and will continue to assess this risk;
- it is unlikely to contribute to modern slavery in its operations or supply chains and will continue to assess this risk; and
- that it is possible that its suppliers or supply chains overseas may contribute to modern slavery, and so will investigate further whether it might be directly linked to modern slavery risk in any way.

To support Woodhouse in completing this work, we utilise an overlay provided by an external consultancy.

Woodhouse has also onboarded its Chinese suppliers to the SEDEX ETI audit system. At present, all Chinese suppliers are certified against the SEDEX four-pillar audit.

## **POTENTIAL RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN**

We understand that modern slavery is a risk that Woodhouse is exposed to due to extended global supply chains and our own operations. It is the risk to the workers engaged in the supply chains that we especially seek to understand, minimise, and mitigate wherever possible.

### **Operational Risks**

Woodhouse has assessed the inherent modern slavery risk associated with the timber industry as high. However, the residual risk within Woodhouse's directly controlled operations is assessed as low due to established recruitment, onboarding and employment controls.

Recruitment is primarily managed in-house, enabling Woodhouse to maintain oversight of its employment practices and ensure compliance with relevant workplace legislation. Modern slavery awareness training is incorporated into the employee induction platform to provide a baseline understanding across the workforce.

During FY25, Woodhouse also sourced a specialist training provider to deliver more in-depth modern slavery training for key staff in FY26, including procurement and senior leadership roles.

Woodhouse has policies in place that set clear behavioural and ethical expectations, including the Woodhouse Code of Conduct. The Code references International Labour Organisation conventions and the principles of the Universal Declaration of Human Rights, and supports respect for human rights, fair labour practices and ethical business conduct.

While the risk within directly controlled operations is low, Woodhouse recognises an increased risk in subcontracted services, such as cleaning, transport, logistics, and offshore IT services. These risks may include underpayment, exploitation of migrant labour and reduced visibility over labour practices. Where possible, Woodhouse seeks to minimise reliance on subcontracted services and improve oversight where subcontracting is required.

### **Supply Chain Risks**

During the FY24 Reporting Period, we engaged external consultants to conduct a risk analysis of our supply chains and operations, identifying the categories of highest risk and prioritising them by spend.

The analysis revealed that our largest expenditure category is timber stock, accounting for 85% of our total spend. This is also our highest risk category. As such, the majority of focus remains on implementing transparency and any necessary risk mitigation in our timber stock supply chains.

Woodhouse sources the majority of its timber stock from New Zealand, which is considered a

low-risk region. However, amongst the remaining stock, there are several higher-risk countries.

### **Examples of High Supply Chain Risk in Our Industry**

Woodhouse considers the timber and forestry supply chain to present the highest risk of modern slavery within its operations. Globally, illegal logging is associated with serious human rights violations and is recognised as a contributor to modern slavery.

As a timber importer and distributor, Woodhouse places a strong emphasis on due diligence for illegal logging as a core component of its modern slavery risk management approach. Woodhouse has undertaken due diligence for illegal logging since the introduction of relevant legislation in 2012 and maintains controls aimed at minimising both illegal logging and associated labour risks.

The highest modern slavery risks within Woodhouse's supply chains are associated with sourcing from higher-risk countries, including China, Vietnam and Indonesia. Identified risk types include:

- forced labour, including debt bondage and excessive unpaid overtime;
- child labour in harvesting and processing activities;
- exploitation of migrant workers in transport, logistics and subcontracted services; and
- labour rights and health and safety risks in overseas timber harvesting, processing and manufacturing.

Since FY24, Woodhouse has mapped its supply chains to cover all Tier 1 suppliers and now requires suppliers to complete a modern slavery assessment as part of the onboarding process, including written confirmation of compliance and disclosure of relevant certifications, such as SEDEX.

## ACTIONS WE HAVE TAKEN IN FY25

Woodhouse continues to take its responsibility to understand and mitigate the environmental and social impacts of its business operations and supply chain seriously. Over this reporting period, we have made progress in implementing onboarding policies and supply chain mapping to assess and address modern slavery risks in our operations and supply chain.

We understand the need to constantly review and consult with our suppliers in the development of modern slavery due diligence, and that cooperation with suppliers in addressing this risk increases the effectiveness of mitigation where necessary.

Woodhouse is implementing an ongoing supplier audit program to enhance its supply chain transparency. This is part of a multi-step process initiated in FY24, which will be continually refined in the coming years through an integrated governance strategy aimed at mitigating the risks of modern slavery.

An initial audit checklist was trialled during FY25. Based on this trial, Woodhouse identified limitations in the practical application and has commenced redesigning the tool to ensure it is fit-for-purpose for FY26 implementation.

Additionally, we now require suppliers from high-risk supply chains to implement the SEDEX standard in their operations, including engaging with a third-party audit process. Where non-compliance is discovered, Woodhouse works with the affected supplier to ensure resolution and successful re-auditing. We also undertake direct audits and surveillance at the following rates for specific suppliers, depending on location:

- China and New Zealand, twice a year; and
- Once every two years for Vietnam, Europe (Finland, Estonia) and Indonesia.

Woodhouse expects the continued outcome of supply chain mapping to be enhanced transparency and improved mitigation processes. This due diligence will complement the actions already taken by Woodhouse in completing illegal logging due diligence.

Woodhouse has now also applied for Australian Trusted Trader certification from Border Force. This Application was submitted on 16 November 2023, and the onsite audit occurred on 10<sup>th</sup> September 2024. As of the time of this Statement, Woodhouse had not been notified of an outcome. As part of these audits, Woodhouse successfully passed the supply chain security component, further demonstrating our success in this area.

### Illegal Logging and FSC

Woodhouse treats certification as one input into its due diligence approach, rather than as a standalone control.

Woodhouse understands that the highest risk category in our supply chain is the timber and forestry supply chain. The organisation understands that the illegal logging industry is a global contributor to violations of international human rights and one of the most significant contributors

to modern slavery.

With timber at the heart of our supply chains, Woodhouse understands the importance of due diligence on illegal logging as crucial to addressing modern slavery risks in our supply chain. Woodhouse has taken steps since the modern slavery legislation was introduced in Australia in 2012 to complete illegal logging due diligence with the overall aim of ensuring adequate controls are in place to minimise this risk.

Woodhouse maintains visibility over the FSC Certification Status of key actors in each supply chain. At the conclusion of the Reporting Period, 100% of timber suppliers in these supply chains hold FSC and/or PEFC Certification. This contributes to reducing certain risks by meeting the requirements of those standards, which are subject to third-party independent audits and include social requirements against which all certified entities are audited. However, Woodhouse recognises that certification alone does not eliminate the risk of modern slavery.

As a standard policy, and with extremely limited exceptions, we do not onboard suppliers from other regions who provide non-certified products.

Woodhouse will continue to require FSC Certification of its inputs to reduce modern slavery risk, as the requirements of FSC closely map to five of the categories of modern slavery.

### **Remediation Pathways**

Where potential indicators of modern slavery are identified, Woodhouse's approach is to engage directly with suppliers to investigate, require corrective action plans, and monitor remediation. Corrective action plans may include time-bound remediation actions, independent verification, or changes to labour practices, depending on the nature of the risk identified. Where remediation is not achievable, Woodhouse reserves the right to suspend or terminate the supplier relationship.

## ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Woodhouse maintains a simple governance structure, with a Board comprising two directors who are actively involved in the business. Operational matters are reported to the Board every week, and any identified concerns related to modern slavery are escalated through this process.

During FY25, Woodhouse tracked the implementation of its modern slavery actions and supply chain due diligence processes. Supply chain mapping completed in FY24 was reviewed and updated during the Reporting Period. A more formal monitoring and evaluation framework, including defined performance metrics, will be implemented in the next reporting period to support annual effectiveness reviews and continuous improvement.

The metrics we are tracking to evaluate the effectiveness of our actions include:

- % of certified products;
- % of certified suppliers (FSC/PEFC);
- % of supply chains that are mapped;
- % of SEDEX suppliers; and
- Number of Internal audits conducted.

Additionally, the progress of actions to prevent modern slavery and the implementation of the supply chain due diligence process are discussed in supplier meetings. In the future, Woodhouse intends to regularly re-verify statements with suppliers.

In this reporting period, our results were:

- 97% of the product was purchased as certified;
- 100% of suppliers for forest products were certified to FSC/PEFC;
- 100% of supply chains were mapped to the Tier 1 supplier; and
- 31% of total suppliers and 100% of Chinese suppliers have undergone SMETA 4-pillar audits and are on SEDEX.

## OUR FY25 COMMITMENTS

Over the next year, our key focus areas will be:

- Collect information from suppliers through the Modern Slavery Due Diligence Questionnaire. The responses and data collected through these questionnaires will enable us to refine and, where necessary, amend our governance processes and procurement policies.
- Continue mapping our supply chain to increase transparency and address the residual modern slavery risk that remains for FSC/PEFC certified supply chains.
- Implement the formal audit checklist during on-site visits with suppliers, which addresses indications of modern slavery and allows us to amend latent risk designations accurately.
- Commence the process of better incorporating governance of modern slavery risk into our corporate governance framework.
- Seek an analysis system to assist in better understanding the effectiveness of our efforts to mitigate modern slavery risks.
- Undertake modern slavery risk training for relevant staff that is concentrated and thorough, including group-specific training, such as general employee training and procurement/director-specific training.
- Create a 2-pager investigation on the audit document and ensure it is used for all site visits in the future.
- Require Indonesian Tier 1 suppliers to complete SMETA 4-pillar audits and upload to SEDEX by 30 June 2026; target coverage  $\geq 80\%$  by spend.
- Re-do the latent risk assessment.
- Provide monthly board updates in a standardised format which cover a range of regulatory frameworks, including illegal logging, timber legality schemes and modern slavery, in a concise one-pager

Woodhouse acknowledges that its modern slavery due diligence framework is still relatively new and thanks our suppliers for engaging with us to assess and address modern slavery risk in our supply chain.

## PROCESS OF CONSULTATION AND APPROVAL

To prepare this joint statement, we engaged with each of the reporting entities covered by this statement and consulted with the entities we own or control. Consultation took place through management engagement with each controlled entity, including a review of supply chain information, operational practices, and risk assessments relevant to modern slavery.

This statement was resolved as approved by the Director of WMD Capital Pty Ltd on 23 December 2025.



Mark Woodhouse  
Managing Director

**APPENDIX A**

The following table summarises how this statement meets the reporting obligations under the *Modern Slavery Act 2018* (Cth).

<b>Modern Slavery Act Reporting Requirement</b>	<b>Addressed in Section</b>	<b>Section Starting Page</b>
Identify the reporting entity.	OUR REPORTING ENTITIES and OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	Pages 3 and 4
Describe the reporting entity's structure, operations and supply chains	OUR REPORTING ENTITIES and OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	Pages 3 and 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.	POTENTIAL RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN	Page 9
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.	ACTIONS WE HAVE TAKEN IN FY25	Page 11
Describe how the reporting entity assesses the effectiveness of such actions.	ASSESSING THE EFFECTIVENESS OF OUR ACTIONS	Page 13
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.	PROCESS OF CONSULTATION AND APPROVAL	Page 15