

Modern Slavery Statement

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Statement of Sustainable Timber Tasmania's commitment

Sustainable Timber Tasmania:

- is committed to operating its business lawfully and ethically and in working with suppliers that are aligned to its values;
- expects its suppliers to operate in accordance with all applicable modern slavery laws including those prohibiting human slavery and slavery like practices, human trafficking, and child labour;
- values and observes all laws regarding corporate social responsibility, environmental and workplace safety protection and staff inclusion and diversity; and
- has a zero-tolerance approach to slavery and human trafficking and is committed to the extent possible that there is no modern slavery or human trafficking in its supply chains or in any part of its business.

1. Reporting entity

Forestry Tasmania (the Forestry Corporation), trading as Sustainable Timber Tasmania is a Tasmanian Government Business Enterprise responsible under State legislation for:

- sustainably managing approximately 800,000 hectares of public production forest (Permanent Timber Production Zone land)
- undertaking forest operations for the production and sale of forest products from these forests (including making available at least 137,000 cubic metres of high-quality eucalypt sawlogs and veneer logs per annum)

In addition to the *Forest Management Act 2013*, Sustainable Timber Tasmania is also required to operate in accordance with a number of other statutes including the *Government Business Enterprise Act 1995*, the *Forest Practices Act 1985* and the *Forestry (Rebuilding the Forest Industry) Act 2014*.

In accordance with the *Government Business Enterprise Act 1995*, a Ministerial Charter has been prepared by the Minister for Resources and the Treasurer following consultation with Sustainable Timber Tasmania. The Charter sets out the Government's broad policy expectations and requirements for Sustainable Timber Tasmania.

Sustainable Timber Tasmania forest management is currently certified under the Responsible Wood Standard (AS4708–2013), which is internationally recognised, under the Programme for the Endorsement of Forest Certification, as being an independent assurance of legal and sustainable timber supply.



2. Sustainable Timber Tasmania's structure, operations & supply chains

Structure

Sustainable Timber Tasmania's structure is made up of:

1. The Sustainable Timber Tasmania Board.
2. The Executive team; and
3. Two main areas of operations:
 - i. Land Management which manages the Permanent Timber Production Zone land (PTPZ) for multiple uses on behalf of the government as a service to the people of Tasmania, and
 - ii. Forest Products which commercially produces wood products that are sold domestically and overseas.

Sustainable Timber Tasmania is identified by its ABN number 916 287 693 59.

Sustainable Timber Tasmania has a wholly owned and controlled subsidiary company, Newood Holdings Pty Ltd (ACN 103 220 426). Newood Holdings has 3 subsidiaries: Newood Huon Pty Ltd (ACN 103 219 861), Newood Smithton Pty Ltd (ACN 103 219 843) and Newood Energy (ACN 129 980 061)

Employment

Sustainable Timber Tasmania directly employs around 160 Full Time Equivalent employees and procures services from a relatively large number of third-party providers, many of which are small and medium sized enterprises (SMEs) located in Tasmania.

Financial Investments

Sustainable Timber Tasmania has no direct financial investments, and only utilises Australian Authorised deposit-taking institutions licensed by the Australian Prudential Regulatory Authority (APRA) for any banking requirements.

Operations and Supply Chain

Sustainable Timber Tasmania and Newood only operate within Tasmania.

Sustainable Timber Tasmania sell logs to solid wood processing businesses in Tasmania, woodchips to Australian businesses who supply them to pulp and paper companies outside of Australia, and a much smaller volume of logs via Australian intermediaries to offshore processors.



Newood operates as landlord a wood processing centre at Southwood in Southern Tasmania. Newood's procurement is undertaken by Sustainable Timber Tasmania.

Sustainable Timber Tasmania's harvesting and transport services are procured from contractors based in Tasmania, as are the services for land management activities such as tree planting and pruning, forest road construction and maintenance, firefighting equipment and services, including aviation services, pest control and ancillary services.

To support Sustainable Timber Tasmania 's operations, it purchases a varied range of other goods, works and services ranging from office supplies, telecommunications services, corporate clothing, and professional services.

Sustainable Timber Tasmania also financially contributes to a range of research projects from time to time undertaken by credible Australian research bodies to advance and improve future productivity and adaption of its forest estate.

3. What are the risks of modern slavery practices in Sustainable Timber Tasmania's supply chains?

The main risk in Sustainable Timber Tasmania's upstream supply chain is unacceptable employment practices by Sustainable Timber Tasmania's contractors or suppliers.

Operating in a domestic environment in which typically 97% of Sustainable Timber Tasmania's purchases are paid to Tasmanian businesses, the risk of unacceptable modern slavery practices in its upstream supply chain is considered low.

However Sustainable Timber Tasmania acknowledges that:

- visibility of the risks of modern slavery practices in its downstream supply chains overseas is limited;
- modern slavery risks to Sustainable Timber Tasmania will change over time as operational requirements change and understanding of its supply chains improves;
- there is a risk that identified contracts/supply chains may have links to modern slavery further down the supply chain that are outside of Sustainable Timber Tasmania's visibility and control; and
- The Covid-19 pandemic has impacted Sustainable Timber Tasmania's contractors and suppliers.

The risk of inappropriate direct employment practices exists but is considered low as all Sustainable Timber Tasmania employee terms and conditions of employment are governed either by an industrial instrument or employment contract.



4. What actions are taken to assess and address the risks?

Assessing the Risks

Sustainable Timber Tasmania regularly assesses its risks as required under its Risk Management Framework. Under the Framework, management is responsible for identifying and reporting risks to the Board.

Addressing the Risks

Sustainable Timber Tasmania primarily addresses the risks of modern slavery practices occurring in its operations and supply chains through its procurement and operational procedures and maintenance of independent third-party certification to Australian standard AS4708–2013.

Employment Practices

Sustainable Timber Tasmania conducts employment practices in accordance with laws and awards. Staff terms and conditions of employment are conducted under an industrial agreement or employment contract.

Sustainable Timber Tasmania has a range of policies and procedures to mitigate inappropriate conduct and potential modern slavery within its workforce including:

- Code of Conduct.
- Anti-Bribery and Corruption Policy.
- Gifts, Benefits and Hospitality Procedure.
- Conflict of Interest Policy.
- Whistleblower Policy.
- Public Interest Disclosure Policy and Procedures.

Sustainable Timber Tasmania publishes its' Policies and Procedures on the intranet which can be accessed by all staff.

Procurement Policy and Procedures

Sustainable Timber Tasmania Procurement Framework incorporates principles that require compliance with sound sustainability practices including the maintenance of safety, environmental and regulatory standards, and having regard to social responsibility and being ethically sourced.

Sustainable Timber Tasmania's Procurement Policy and Framework requires those making the procurement to "Know STT's Supplier", with a strong preference for suppliers that have been successfully prequalified before doing business with Sustainable Timber Tasmania. Suppliers are required to maintain performance standards and compliance if selected.

For Sustainable Timber Tasmania staff, non-compliance with the Procurement Policy and Framework is considered a breach of STT's values and the Code of Conduct.



Contracts with Suppliers

Supply chains are controlled through contracts developed by Sustainable Timber Tasmania and policies that incorporate significant compliance obligations on contractors such as:

- The specific requirement to engage, direct and pay each employee and subcontractor engaged by the contractor to perform the contract services.
- Contractors being required to warrant that they will obey all Federal, State and Local Government laws, including all regulations, codes of conduct, codes of practice, by-laws, and laws of any relevant jurisdiction, including but not limited to
 - Work Health and Safety Act 2012(Tas).
 - Public Interest Disclosure Act 2002 (the Act).
 - Forest Management Act 2013 (Tas).
 - Work Health and Safety Regulations 2012 (Tas).
 - current industrial awards.
 - all relevant STT directions, safety prescriptions and policies; and
 - any applicable Federal, State and Local Government laws relating to workplace health and safety or the performance of the Contract Services.
- Sustainable Timber Tasmania also maintains policies which extend to some contractors including:
 - Anti-Bribery and Corruption Policy
 - Whistleblower and Public Interest Disclosure Policy.

Sustainable Timber Tasmania undertakes prequalification of contractors with a focus on the provision of general service and harvest contractors. The prequalification involves applicant contractors answering questions, supplying information, and verifying compliance with Federal, State and local laws.

For suppliers who are contracted, annual reviews are completed which includes checking and reconfirming compliance with the above and STT policy and procedure requirements.

During the reporting period, Sustainable Timber Tasmania has continued to include Modern Slavery clauses in new and/or renewed supplier contracts. The inclusion of the Modern Slavery clause increases a supplier's level of awareness and their need to comply with the legislative requirements and to conduct their operations in alignment with the law in relation to Modern Slavery.



Independent Certification

The Responsible Wood Standard AS4708–2013 incorporates social and cultural sustainability principles including:

- maintaining and enhancing the net social benefit derived from the mixture of forest uses
- sustaining the relationship between ethics, social norms, human rights, and development.
- upholding, maintaining, and enhancing the cultural capital of the community.

Under the Standard, Sustainable Timber Tasmania commits to:

- recognising the rights of forest workers to join a union or organization of workers; participate in collective bargaining; and associate freely.
- supporting equal employment opportunities and use qualifications, skill, experience, and merit as the basis for recruitment and advancement of forest workers; and
- ensuring that all forest workers are afforded equal treatment.

Compliance with the Standard requires Sustainable Timber Tasmania to demonstrate that:

- where it engages in collective bargaining, such bargaining:
 - takes place with representative workers' organizations where they exist.
 - does not involve direct dealing.
 - takes place in good faith; and
 - involves the forest manager's best efforts to reach agreement.
- representatives of organisations of forest workers have access to employees in the workplace and have the use of such facilities in the workplace as are necessary for the proper exercise of their functions as workers representatives.
- all forest workers are engaged freely and are duly compensated.
- all forest workers are greater in age than the completion of compulsory school attendance age; and
- it follows legal obligations creating minimum employee entitlements including but not limited to those set out in national legislation and collective bargaining agreements.

5. How is effectiveness of these actions assessed and addressed?

Sustainable Timber Tasmania's Risk Management Framework is overseen by a Board subcommittee, the Finance, Audit and Risk Management Committee and reported to the Board.

6. Process of consultation with any entities the reporting entity owns or controls.

Newood company Boards are comprised of members of Sustainable Timber Tasmania's executive team. The Newood Group operates under a Governance and Operating Agreement that is supervised by the Sustainable Timber Tasmania's Board.



7. Any other relevant information.

Sustainable Timber Tasmania undertook the following actions during the period to protect workers in its operations and supply chains from the risks of modern slavery due to the Covid-19 pandemic:

- Flexible working arrangements (home, office, and field work) for direct employees where it is safe to do so.
- Provision of personal protective equipment (PPE) to staff and modification of work practices to enhance staff safety.
- Commitment to pay all contractors promptly for work completed.
- Commitment to consider assistance to contractors and suppliers if requested.
- Information was provided to contractors on safe work practices to mitigate the risk of workers contracting Covid-19.



Rob de Fégely, Chair

23 November 2022





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