
MODERN SLAVERY STATEMENT

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1. This Statement

This Modern Slavery Statement is submitted on behalf of the Pentarch Group Pty Ltd (ACN 607 144 196) and its Australian related/controlled entities (as detailed on page 3 of this Statement) (hereinafter referred to as the **Pentarch Group**) for the financial year ended 30 June 2024.

Modern slavery is the deprivation of a person's liberty and can take various forms including servitude, forced and compulsory labour and human trafficking.

The Pentarch Group holds integrity, transparency, and empowerment in high regard among its values, and recognises it has obligations to act in a socially responsible and ethical manner in its business practices. The Pentarch Group is committed to ensuring compliance with Australian laws and regulations including the *Modern Slavery Act 2018* (Cth) (**Act**).

The Pentarch Group is committed to taking steps to:

- Identify and manage the risk of slavery, or slavery like activities, within its operation, including its supply chains;
- act ethically and with integrity and with awareness for the potential for modern slavery in our business;
- demonstrate our commitment to tackling modern slavery and making clear our requirements in this respect within our supply chains;
- update our procedures and processes on a regular basis to ensure our people have the tools and confidence to address any suspected incidences of modern slavery, including considering any appropriate remedial action, as may be required under the Act.

This Statement was approved on 1 July 2024 by the Board of Directors for the **Pentarch Group Pty Ltd** and its Australian related/controlled entities (as detailed on page 3).

Signed by:



Malcolm McComb
Chair
Pentarch Group Pty Ltd

2. Scope

This policy applies to all employees and contractors of the Pentarch Group and all its related entities, and suppliers to the Pentarch Group who have, or seek to have, a business relationship with the Company.

3. Our structure, operations and supply chains

Structure

The Pentarch Group consists of a holding company, namely, Pentarch Group Pty Ltd (ACN 607 144 196).

There are 31 subsidiaries in the Pentarch Group, as well as several part-owned companies and a New Zealand-based trading company. In total, the Pentarch Group, together with its NZ operations, employs over 600 people in permanent, part-time and casual positions.

A list of the companies associated with the Pentarch Group (including controlled entities) include the following:

Pentarch Group Pty Ltd	Allen Taylor & Company Ltd
Pentarch Holdings Pty Ltd	Duncan's Holdings Ltd
Pentarch Forestry Pty Ltd	Oberon Softwood Holdings Pty Ltd
Pentarch Forestry Services Pty Ltd	Pentarch Forest Products Limited (NZ)
Pentarch Forest Products Pty Ltd	Pentarch Forestry Services Limited (NZ)
Pentarch Logistics Pty Ltd	JPP Logging Limited (NZ)
Pentarch Stevedoring Pty Ltd	Pentarch Management NZ Ltd
Allied Natural Wood Enterprises Pty Ltd	Pentarch Permaculture & Carbon Pty Ltd
Allied Natural Wood Exports (Tas) Pty Ltd	Pentarch Agricultural Pty Ltd
South East Fibre Exports Pty Ltd	Pentarch Farms Pty Ltd
Sapphire Forests Pty Ltd	Pentarch Hay Pty Ltd (60%)
Timber Audits & Technology Pty Ltd	Mallee Hay Pty Ltd (60%)
Timber Ships Australia Pty Ltd	Narrogin Hay Pty Ltd (60%)
Rail Pine Pty Ltd	Ocean2earth Pty Ltd (75%)
ARI Leasing Pty Ltd	Highland Pine Products Pty Ltd (50%)
	Radiata Exports Pty Ltd (50%)
	Green Timber Tech Pty Ltd (40%)

Operations

The Pentarch Group is comprised of three divisions in Forestry, Agriculture and Permaculture & Carbon, with activities as follows:

- **Forestry** – plantations (owners and managers), harvest and haulage, sawmill operations, stevedoring, export products (logs and woodchips), softwood lumber sales, hardwood decorative product sales, timber pallet production and firewood production.
- **Agriculture** – purchase hay from farmers, storage of hay in warehouses and transport and sale of hay products by rail/port.
- **Permaculture and Carbon** – investing and growing a broad portfolio of new economy businesses in energy, landscape restoration, the circular economy and carbon sequestration.

The countries and regions in which the Pentarch Group operate are as follows:

- Australia, including:
 - Victoria (Melbourne, Mallee region, Dandenong, Swifts Creek, Keysborough)
 - New South Wales (Sydney, Eden, Nowra, Narooma, Herons Creek, Kyogle, Koolkhan, Murwillumbah & Orange)
 - Western Australia (Fremantle & Narrogin)
 - Tasmania (Burnie)
 - Queensland (Brisbane & Sunshine Coast)
 - South Australia (Adelaide)
- New Zealand.

Supply Chain

The Forestry division of the Pentarch Group has long-term, stable relationships with primarily State-owned Forest managers for log supply, which are facilitated through multi-year agreements with options to renew. The Forestry division's key goods and services suppliers in Australia are primarily long-term stable suppliers, although there is also procurement of engineered flooring from a Belgian-owned company in Malaysia.

All of the log products which the Forestry division harvests or are otherwise supplied are from Australian-based forest growers, with no volume imported. The majority of the equipment used has been sourced from European manufacturers, with others from the United States. Vehicles and plant equipment are variously sourced from American, German, Japanese, Australian or European manufacturers.

Pentarch Forestry holds chain of custody certification from Programme for the Endorsement of Forest Certification and publicly commits to the values embodied in the Chain of Custody Standards. Those values include:

- workers are not prevented from associating freely, choosing their representatives, and bargaining collectively with their employer;
- forced labour is not used;
- workers, who are under the minimum legal age, the age of 15, or the compulsory school attendance age, whichever is higher, are not used;
- workers are not denied equal employment opportunities and treatment; and
- working conditions do not endanger safety or health.

The Agricultural division of the Pentarch Group has stable annual supply contracts of hay with a group of regional Australian farmers. The key suppliers of goods and services to the Agricultural division are long-term local and international businesses. The majority of the hay processing equipment is manufactured and supplied in Australia, while some other equipment being supplied by European and Japanese companies.

4. Risks of modern slavery practices

The Pentarch Group recognises that:

- modern slavery includes activities such as trafficking in persons, slavery, servitude, debt bondage, deceptive recruitment, forced marriage and the more egregious forms of child labour;
- the risks of modern slavery practices in the supply chain of the Forestry division include using bulk freight and international shipping and importing engineered flooring overseas (that is, from organisations not subject to the Act); and
- container freight and international shipping lines may hold some risk of modern slavery practices for its Agriculture division.

The Pentarch Group has been able to mitigate these risks, in particular:

- for international shipping, the charter party terms specifically require that the crew be employed in accordance with International Labour Organization conventions; and
- for the importation of engineered flooring from Malaysia, the Pentarch Group has engaged a Belgium-owned company which is subject to more stringent controls in regards to modern slavery practices.

Further, the Pentarch Group has sought to conduct its own due diligence with respect to parties with whom it deals, including in respect of its supply chains and has implemented internal policies accordingly.

5. Actions taken to address risks

The Pentarch Group is committed to ensuring that it has appropriate measures in place to limit the risks of any modern slavery practices occurring within in its operations and seeking to ensure it does not engage with suppliers who have any such practices within their operations. The Pentarch Group is further committed to taking proactive steps required to identify and respond to any instances of modern slavery in its supply chains, including, in particular, educating its managers responsible for its supply chains and notifying its suppliers of its expectations that they will not engage in modern slavery practices in their operations and likewise have appropriate processes to identify and deal with risks that may arise.

The Pentarch Group's Code of Conduct sets standards of ethical behaviour which must be adhered to by all employees in the Pentarch Group. These ethical practices include a prohibition on activities which contravene human rights conventions, which includes modern slavery practices.

The Pentarch Group has a Modern Slavery Policy prohibiting modern slavery practices which applies to all employees, contractors and suppliers of the Pentarch Group, and identifies actions which the Pentarch Group may take to deal with and monitor these risks, as well as remedial action in the event of modern slavery practices being identified. Compliance and enforcement of this policy among staff is monitored by the People & Culture team. Further, senior management are also involved in overseeing Pentarch's policies and processes in relation to compliance with the Act.

The Pentarch Group has developed a new clause prohibiting modern slavery which has been inserted into all supplier and contractor contract templates. The clause clearly identifies the Pentarch Group's firm position in relation to modern slavery practices and requires that the contractor or supplier ensure that its employees and the employees of any sub-contractors are employed and treated in accordance with all applicable laws and the Pentarch Group's policy on modern slavery.

The clause requires that contractors and suppliers warrant that modern slavery practices are not engaged in by any of its directors, officers, employees, agents, representatives, contractors or sub-contractors, and requires that policies and procedures are in place to ensure compliance with the warranty.

The Pentarch Group continues to work through its action plan to improve its responses to modern slavery risks in 2024. This involves, among other things:

- broad ranging policy implementation which incorporates clauses relating to the prohibition of modern slavery in all areas of our business, including our Anti-Corruption and Bribery Policy.
- the appointment of the Corporate Governance Manager to oversee the implementation, monitoring and effectiveness of policy in relation to modern slavery practices and risks and to consider and determine any remedial steps to be taken to deal with any breaches of the Pentarch Group's Modern Slavery Policy;
- the Pentarch Group is developing additional internal procedures to further inform its workers of Pentarch's requirements and assist in identifying and dealing with risks that may arise to better respond to situations where modern slavery practices are found in its operations or supply chains;

- taking steps to assess the risks in the Pentarch Group’s investment portfolio and considering ways of mitigating such risks; and
- adopting a continuous improvement approach to monitor compliance, including audits and requests for self-assessment from contractors and suppliers and the analysis of information relating to supplier and contractor performance.

6. Monitoring compliance and assessing effectiveness

The prevention, detection and reporting of modern slavery in any part of our business (and our supply chains) is the responsibility of all our staff. Employees are encouraged to raise concerns about any issue or suspicion of modern slavery as soon as practicable, with their managers and the Corporate Governance Manager as the first point of contact. The Pentarch Group will treat any notification on modern slavery as being made in good faith and notifications will be treated with the necessary confidentiality.

The Pentarch Group will assess effectiveness by keeping a record of reported risks and actions taken following such identification, with a view to limiting recurrence of such events. Modern Slavery Risks have also been added to our divisional and Group risk matrices and form a basis for our business practices. This information and data will be obtained through training, monitoring, self-assessment and consultation.

7. Consultation with owned entities

This statement is made on behalf of the whole Pentarch Group, which includes all of its subsidiaries and Associated Companies as defined in the *Corporations Act 2001 (Cth)*. The Pentarch Group has part-ownership or shares in some companies outlined but does not fully own or control these entities. Consultation was therefore not required.