



Modern Slavery Statement

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(Company)

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1 Introduction

This Modern Slavery Statement has been prepared by Big River Industries Ltd ACN 609 901 377 and its subsidiary reporting entity Big River Group Pty Limited ACN 000 009 754 in accordance with the *Modern Slavery Act 2018* (Cth) for the reporting period commencing on 1 July 2020 and ending on 30 June 2021 (**Reporting Period**).

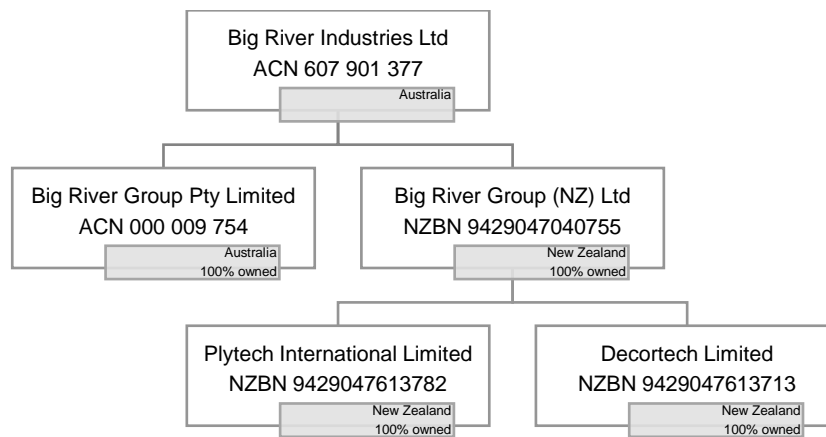
It sets out the steps taken by Big River Industries Ltd and its controlled entities, including the reporting entities referred to above, (together, **Big River**) during the Reporting Period to assess and address modern slavery risks in its operations and supply chains.

This is the second Modern Slavery Statement prepared by Big River.

Big River is opposed to slavery in all its forms and acknowledges its role in upholding human rights through ethical and sustainable business practices across its supply chains.

2 Big River's structure

Big River's corporate structure is set out below:



Big River Industries Ltd and Big River Group Pty Limited both are incorporated and operate in Australia. Big River Industries Ltd also has three subsidiaries which are incorporated and operate in New Zealand, as shown above. No changes were made to Big River's corporate structure during the Reporting Period.

Big River Industries Ltd is an Australian public company listed on the official list of ASX and acts as the holding entity of the corporate group. Big River Group Pty Limited is an Australian proprietary company and is a distributor of building products and a manufacturer of plywood and formwork products. Big River Group (NZ) Ltd, Plytech International Limited and Decortech Limited are each New Zealand companies and are distributors of specialist plywood construction products and architectural panels.

3 Big River's operations and supply chains

3.1 Operations

Big River operates in Australia and New Zealand and is a diverse manufacturer and major distributor of timber products to local trade, and medium sized and enterprise sized companies. During the Reporting Period, Big River acquired the business and assets of the Timberwood group, which is a specialty manufacturer and distributor of a range of panel products. Big River is currently in the process of integrating that acquired business into its wider corporate group.

Big River has 4 manufacturing facilities, located in Grafton, NSW, Wagga Wagga, NSW, Campbellfield, Victoria, and Auckland, New Zealand. Big River is proposing to consolidate operations at the Wagga Wagga and Grafton manufacturing facilities during the next reporting

period. Big River has 21 sales and distribution centres, of which 19 are located throughout Australia and 2 are located in Auckland, New Zealand.

Big River employs approximately 500 employees across Australia and New Zealand. No employees are temporary visa workers.

Big River's operations were not materially impacted by COVID-19 during the Reporting Period.

3.2 Supply chains

Big River has approximately 1,000 local and overseas suppliers, from which it sources a range of goods and services under purchase orders with standard terms. This report addresses the modern slavery risks in Big River's supply chains for those goods and services. (It does not address modern slavery risks which may exist in the supply chains from which Big River's sources industrial equipment it uses in its operations. Circumstances permitting, those risks, if any, will be assessed and addressed by Big River during the next reporting period, (please see 5.4 below)).

Big River is satisfied its local Australian and New Zealand suppliers are not engaging in modern slavery practices in their operations. Many of these suppliers are substantive, well reputed local companies with which Big River has had regular and close dealings over a long period. In forming its assessment of and relationship with these local suppliers, Big River is satisfied that their operations in this regard are appropriate.

Of its overseas suppliers, Big River engages 11 suppliers in Asia, 10 suppliers in Europe and 1 supplier in South America to provide timber products and construction materials, such as plywood, formply, flooring and specialty panel products.

These overseas suppliers engage factory workers to manufacture the products and materials being sourced. Big River's relationships with overseas suppliers have typically been longstanding and with larger and established businesses.

Big River engages one Chinese local to assist Big River in its dealings with Chinese suppliers, including by providing translation and logistics services. Big River deals with its European and other non-Australian and New Zealand suppliers without the assistance of any country locals.

Big River's supply chains were not materially impacted by COVID-19 during the Reporting Period. Travel restrictions prevented Big River from undertaking on-site audits of overseas suppliers, which impacted the modern slavery related work it was able to undertake during the Reporting Period, as explained throughout this statement.

4 Risks of modern slavery practices in Big River operations and supply chains

4.1 Operations risks

Big River has determined that the risk of modern slavery in its operations is low.

Big River's employees at its manufacturing facilities are covered by enterprise bargaining agreements, which appropriately cover usual matters such as wages, overtime, allowances, leave and redundancies. Big River's other employees are employed under and in compliance with relevant industry awards or individual employment contracts. Big River also engages with the CFMEU, an Australian industry employee trade union, in respect of certain of its Australia employees. There have been no disputes with any trade unions involving any modern slavery type allegations during the Reporting Period.

Big River has in place a Code of Conduct, which sets out Big River's expectations that persons acting on behalf of Big River and its suppliers will not engage in modern slavery, and will report any actual or suspected modern slavery activities within Big River's operations and supply chains to Big River's company secretary or under Big River's Whistleblower Policy. No modern slavery risks were reported under Big River's Whistleblower Policy or otherwise during the Reporting Period.

4.2 Supply chains risks

While Big River undertook actions during the Reporting Period to assess and address modern slavery risks in its supply chain (as described in section 5), COVID-19 related travel restrictions prevented Big River from conducting on-site audits during this Reporting Period. As a result, Big River was unable to assess in person whether any modern slavery risks existed in its overseas suppliers' businesses or further up their supply chains – instead, Big River was reliant on representations given by its suppliers. As a result, Big River considers that the following two potential risks may exist in its supply chain:

- (a) there may be modern slavery risks in Big River's supply chain which its suppliers have not disclosed and which Big River will only be able to uncover from on-site audits; and
- (b) Big River's overseas suppliers may not undertake sufficient due diligence investigations into their own suppliers to satisfy themselves that no modern slavery practices exist further up Big River's supply chain.

5 Actions Big River has taken to assess and address risks

5.1 Actions taken during this Reporting Period

For this Reporting Period, Big River undertook the following actions:

- educating its employees who deal with overseas suppliers about Big River's policies on modern slavery which it adopted in the last reporting period; and
- reviewing the responses from overseas suppliers to the modern slavery questionnaires it prepared in the last reporting period, and using those responses to assess and address risks of modern slavery practices in its supply chains.

5.2 Educating employees

During this Reporting Period, Big River provided training on its modern slavery policies to its employees who deal with overseas suppliers to improve their understanding of modern slavery risks. These employees were the focus of Big River's initial training sessions given the potential higher risks of modern slavery in overseas supply chains.

Big River has also made its modern slavery policies available on its website, which are accessible by all employees.

5.3 Risk assessing overseas suppliers

During this Reporting Period, Big River sent out the modern slavery questionnaires it prepared in the last reporting period to all of its overseas suppliers to assist Big River to identify risks of modern slavery occurring in the supply chains. Big River's senior executives who engage with Big River's overseas suppliers collectively assigned each such supplier with a risk rating (comprising "low risk" and "increased risk") based on past experience with that supplier. Each supplier declared as "low risk" was issued with a compliance statement containing a number of questions for it to, amongst other things, confirm that it was not engaging in any activity that may constitute modern slavery. Each supplier declared as "increased risk" and each "low risk" supplier whose compliance statement revealed potential non-compliance was issued with a questionnaire containing more focused questions aimed at identifying specific modern slavery risks in its activities. After each supplier returned its questionnaire to Big River, its answers were entered into a risk assessment tool prepared by Big River and that supplier was given a risk rating of either "low," "medium" or "high". During the Reporting Period, only 3 overseas suppliers in China, Asia were given risk ratings of "medium". All other overseas suppliers were given risk ratings of "low". No supplier was given a risk rating of "high" during the Reporting Period.

Any supplier with a risk rating of "medium" will be subject to a site audit by a member of Big River's senior management to discuss and endeavour to resolve the issues identified. Due to the ongoing COVID-19 travel restrictions, those site audits have not yet been undertaken. Although no supplier was assigned with a "high" risk rating during the Reporting Period, Big River intends to

cease engaging any supplier with a "high" risk rating until the issues giving rise to the high risk rating are addressed to Big River's satisfaction.

5.4 Actions to be undertaken in next reporting period

In Big River's last Modern Slavery Statement, it also undertook to focus in this Reporting Period on:

- ensuring its on-site inspections of overseas suppliers included a specific focus on identifying modern slavery risks. Big River was unable to undertake any such on-site inspections due to the ongoing COVID-19 travel restrictions so this action item has been deferred until such time as those restrictions lift and Big River had to rely on the responses to questionnaires received from those overseas suppliers; and
- seeking to update its existing supplier terms, initially with non-Australian and New Zealand suppliers, to ensure they contained a template modern slavery clause which was prepared in the last reporting period. This action item has been deferred as, during this Reporting Period, Big River commenced preparing new contract terms with its suppliers to introduce other compliance-related provisions (e.g. chain of responsibility laws, packaging requirements, etc.). Big River's intention is to include the template modern slavery clause in those updated contract terms. Big River's intention is to finalise and circulate those new contract terms (including the modern slavery clause) to its suppliers in the next reporting period.

In addition to the matters set out above, Big River's focus in the next reporting period will be on:

- sending out modern slavery questionnaires to all overseas participants in the supply chains from which Big River's sources industrial equipment it uses in its operations, and circumstances permitting, visiting suppliers' sites to assess compliance at those sites;
- sending out modern slavery questionnaires to all overseas suppliers of the newly-acquired Timberwood business, as well as any new overseas suppliers engaged by Big River in the next reporting period;
- issuing on an annual basis a modern slavery confirmation for each supplier (including from the newly-acquired Timberwood business) to complete, confirming, amongst other things, that it does not engage in any practices that constitute modern slavery and disclosing any modern slavery issues;
- updating its safety management system to automatically issue modern slavery questionnaires to its suppliers to complete on an annual basis (or at such other frequency considered appropriate by Big River) and automatically flag outstanding responses to Big River;
- implementing alternative means to on-site inspections with overseas suppliers, including without limitation maintaining dialogue with overseas suppliers to ensure that all such suppliers remain aware of their continuing obligations to adopt business practices that are not indicative of modern slavery;
- for those 3 suppliers which, from due diligence conducted by Big River as outlined in clause 5.3, demonstrate a "medium" risk of engaging in practices that constitute modern slavery, undertaking a site audit of those suppliers and their suppliers further up their supply chains as soon as COVID-19 related travel restrictions lift to determine actions to address the risks identified; and
- educating and training its employees who deal with local suppliers, as well as its new employees from its recent Timberwood business acquisition who deal with overseas suppliers, about Big River's policies on modern slavery.

6 How Big River assesses the effectiveness of such actions

At this stage, Big River considers the fact that all but 3 of its overseas suppliers were given a "low risk" rating as referred to in section 5.3 to suggest that Big River's due diligence processes when

engaging suppliers (as described in its previous Modern Slavery Statement) have been fairly effective in helping it engage suppliers which do not have significant modern slavery risks within them. However, Big River is conscious that the current risk assessment process relies on suppliers being frank in their disclosures given Big River is unable to undertake on-site inspections to validate the suppliers' disclosures while COVID-19 travel restrictions continue to apply. Big River intends to resume on-site inspections of overseas suppliers' factories by appropriate senior personnel within Big River as soon as COVID-19 travel restrictions lift. This will allow Big River to identify any modern slavery risks on-site, as well as assess how accurately and frankly suppliers have responded to the modern slavery statements and questionnaires.

In respect of the 3 suppliers who were given a "medium" risk rating, Big River considers its risk assessment actions to be effective as they have enabled Big River to identify potential issues in those suppliers' businesses. As noted above, Big River's focus moving forward is to resume on-site audits for these 3 suppliers as soon as COVID-19 travel restrictions lift to ensure that their practices (and the practices of their own suppliers) do not contain modern slavery risks within them. Once those on-site audits resume, Big River should be able to assess whether those audits, and the action items arising from those audits to address the issues identified, are effective in the next reporting period.

7 Consultation

The Big River entities consulted with one another to develop this Modern Slavery Statement. This involved the CEO and appropriate senior managers (comprising general managers in Australia and New Zealand) from across the entities working collaboratively and sharing the steps taken by, and experiences of, their respective entities during the reporting period to assess and address modern slavery risks that arose within their operations and their supply chains.

8 Next steps

Big River is committed to not supporting or dealing with businesses involved in modern slavery practices. Going forward, Big River's focus will be on continuing to undertake due diligence and risk assessments of its operations and supply chains, and addressing issues which are identified, increasing training for employees and seeking adoption of, and compliance with, its updated supplier terms by overseas suppliers. Big River's goal is to be able to confidently state that its operations and supply chains have a low risk of exposure to modern slavery and that it is adequately managing modern slavery risks in its operations and supply chains.

This statement has been prepared in consultation with each reporting entity covered by the statement. This statement was approved by the Board of Big River Industries Ltd at a meeting of the Board of directors on 23 November 2021.

This statement is signed by Jim Bindon, a director of the Board of Big River Industries Ltd.

Jim Bindon
Managing Director
Big River Industries Ltd