



Modern Slavery Statement

Associated Kiln Driers Pty Ltd

(ACN 004 341 048)

Reporting Period (1 July 2020 – 30 June 2021)

Associated Kiln Driers Pty Ltd - Modern Slavery Statement Financial Year Ending 30 June 2020

1. Introduction

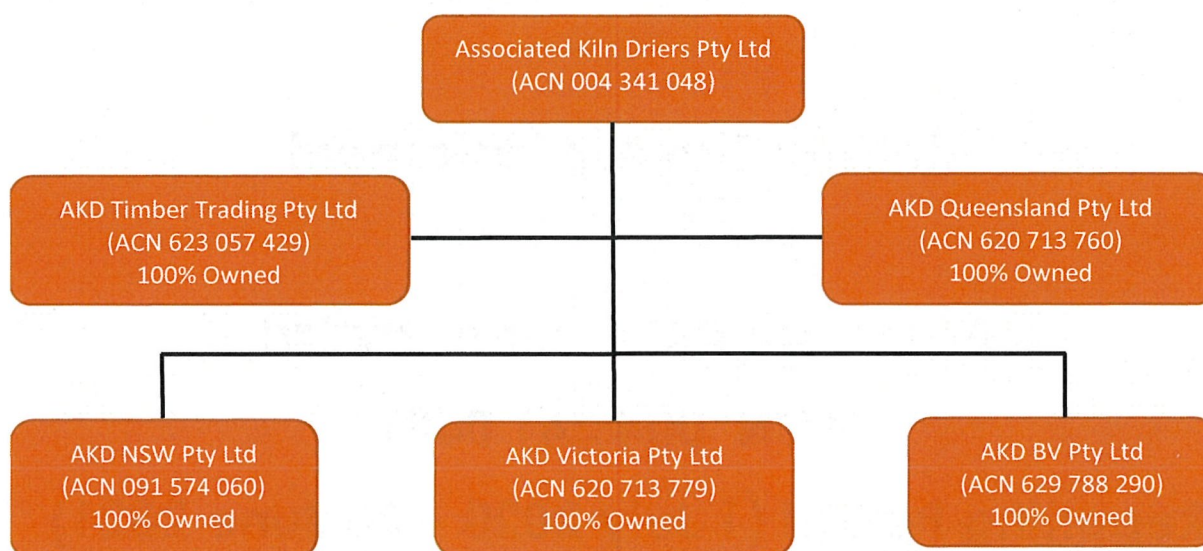
This Modern Slavery Statement ('Statement') has been prepared by Associated Kiln Driers Pty Ltd ("AKD"), ACN 004 341 048 and its subsidiary reporting entities in accordance with the *Modern Slavery Act 2018 (Cth)* for the reporting period 1 July 2020 to 30 June 2021.

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)

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 over 1,000 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 conducts business in the reporting period and now has over 1200 active suppliers with 97% of these based in Australia which it sources a range of goods and services for the growing, harvesting, processing and distribution of timber to its customers in Australia.

AKD's 40 active overseas suppliers are based in the following regions:

- | | |
|----------------------------|----|
| • New Zealand | 13 |
| • United States of America | 15 |
| • Canada | 6 |
| • Europe | 6 |

These suppliers provide plant and 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 purposes. 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 and 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 located in a country identified as a high prevalence of modern slavery or vulnerability to modern slavery.¹

5. Actions Taken to address risks – current reporting period

5.1 Supplier Terms and Conditions

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

All new supplier contracts and agreements include a clause requiring the supplier to comply with the *Modern Slavery Act 2018*.

5.2 Policies and Procedures

AKD has a Code of Conduct requiring all people acting on behalf of AKD to behave ethically and to comply with all relevant laws and a Whistleblower Policy, which encourages employees to speak up and report any wrongdoing including reporting an instance of Modern Slavery.

All disclosures under the Whistleblower Policy are investigated and appropriate actions are undertaken. No Modern Slavery risks were reported during the reporting period.

AKD has a Procurement Policy to address these specific risks and ensure that the requirements of the Modern Slavery Act are being appropriately considered during the procurement and contract development process, and that appropriate due diligence is conducted for all new suppliers.

¹ The Global Slavery Index 2018, Walk Free Foundation

6. Actions in the Next Reporting Period

The following actions will be completed during 2021-2022, prior to submission of the Modern Slavery Statement for the 2022 Financial Year.

- Utilise AKD's modern slavery questionnaire for new suppliers to assess exposure to key Modern Slavery risks as part of onboarding.
- Utilise AKD's modern Slavery questionnaire to assess exposure to Modern Slavery risks from existing suppliers (staged).

7. How AKD will assess the effectiveness of such actions

During this reporting period AKD's focus has been to set up a framework to support its activities to better understand and manage our modern slavery risks and how such risks may be present in our operations and supply chain. At this stage we are unable to adequately assess the effectiveness of measures taken but are now better placed with a framework and processes to gather information required to review the effectiveness of these actions.

This statement was approved by the Board of Associated Kiln Driers Pty Ltd at a meeting of the Board of Directors on 21 December 2021.

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



Shane Vicary
Director
Associated Kiln Driers Pty Ltd