



MODERN SLAVERY STATEMENT 2021

Published December 2021



Introduction

Hancock Victorian Plantations Pty Limited (HVP) continues to focus on its corporate responsibility to conduct its business operations with integrity and in compliance with laws. In line with these expectations, HVP is proud to report for the second year on its management of modern slavery risks and in accordance with the requirements of *the Modern Slavery Act 2018 (Cth)*. HVP is committed to protecting human rights and to taking steps to identify and address any actual or potential adverse impacts relating to its operations including those that could be present in its supply chains.

During the 2020 year the Hancock Victorian Plantations group included two trading entities, Hancock Victorian Plantations Pty Limited (HVP) and Grand Ridge Plantations Pty Ltd (GRP). During the same year a decision was taken (for streamlining purposes) to transfer assets from GRP to HVP, which became effective on 4 January 2021 and which completed on 02 September 2021. Accordingly, this statement focuses on the modern slavery risks that continue to be potentially relevant to the operations of HVP only. It responds to *the Modern Slavery Act 2018 (Cth)* and has been approved by the Board of HVP.

HVP's first Modern Slavery Policy dated 31 August 2020 is based on HVP's Mission Vision and Values and the key principles of:

- **INTEGRITY** – We do the right thing when no-one is watching
- **RESPECT** – We respect our people, stakeholders and the environment
- **COMMERCIAL AND CUSTOMER FOCUSED** – We make every tree count
- **RESPONSIBLE AND ACCOUNTABLE** – We take ownership of decisions
- **INNOVATION** – We will do things better tomorrow than we did today

As with all human rights violations, HVP has a zero-tolerance policy for any type of forced labour, including modern slavery.

Our Structure, Operations and Supply Chains

Hancock Victorian Plantations Pty Limited ACN 084 801 132 (HVP)

HVP is one of Australia's largest private timber plantation companies. The company is owned by a combination of Australian, Canadian and United States superannuation and investment funds.

HVP grows and harvests plantation forests in Victoria. It also operates a forest nursery in South Gippsland raising seedlings and cuttings for the establishment of plantation forests. HVP's plantations estate is situated across areas of southern and north-eastern Victoria,

extending from the Koetong Plateau in the far north-east to the border with South Australia in the southwest. In addition, HVP has significant hardwood and softwood plantation forests for timber production in Gippsland. The total area of land managed by HVP equates to over 240,000 ha. Approximately 165,000 ha of this land is pine and eucalypt plantation.

HVP employs over 700 staff and contractors. The company supplies over three million tonnes of wood annually to manufacturing industries in south eastern Australia, the main ones being mills producing structural sawn timber, fibre board products, pulp and paper.

HVP also supplies small sawlogs and woodchips into Asia using bulk and container shipping and through a joint venture business, Softwood Plantation Exporters (SPE) in Geelong, which processes plantation pine thinnings and sawmill residues for export.

Both the Forest Stewardship Council and Responsible Wood regularly audit HVP's operations and certify that HVP meets their respective standards for responsible forest management.

HVP's registered office is located at the World Trade Centre, Level 12, Tower 4, 18-38 Siddeley Street, Melbourne 3005.

You can read more about HVP's business on the website:

<http://www.hvp.com.au/about-hvp/>

Supply Chains

HVP's suppliers are located predominantly in Australia and the majority of its workforce is made up of local Australian contractors.

In line with our Mission to “manage the plantation estate in a safe and sustainable way to optimise the return to our investors whilst balancing the needs of our employees, customers and local communities”, HVP aims to strengthen the communities in which we operate and a key way we do this is by buying locally to deliver benefits for communities, suppliers and our business.

Goods and services procured cover the forestry life cycle, from site preparation, planting, fertilising, thinning, road construction, harvesting and hauling.

Risks of Modern Slavery Practices

The types of operations engaged in by HVP are such that the risk of modern slavery is low. That having been said, the risks of modern slavery practices in the operations and supply chains of HVP could, potentially, include those listed below.

-
- The setting of unrealistic delivery timeframes;
 - Using unskilled temporary or seasonal labour;
 - The use of short-term contracts and outsourcing in that unskilled work of a manual nature for low wages carries potential risk;
 - Sourcing uniforms and personal protective equipment;
 - Leasing motor vehicles and purchasing fire tankers;
 - The chartering of internationally owned vessels for the bulk shipping of logs to Asia;
 - Procuring chemicals and fertilisers;
 - Purchasing IT and electronic equipment; and,
 - Obtaining personal protective equipment to address Covid-19 risks.
-

HVP has conducted a risk assessment process of all of its suppliers. This used data from HVP's Finance team, as well as from knowledge of HVP's functional managers, regional managers and HVP's Lead Team.

HVP identified 27 suppliers that it considers to be high risk for modern slavery risks based on geographical location and the HVP spend on those suppliers.

During the 2021 calendar year HVP has contacted and liaised with the suppliers that it deems to be high risk. This is an ongoing process as many suppliers are not obliged to report on modern slavery risks themselves and so the awareness of this as an issue has been low. HVP embraces this challenge as an opportunity to advance the aim of *the Modern Slavery Act 2018* and to play an active role in global attempts to eradicate modern slavery. HVP continues to follow up with its suppliers to seek information



about their management of modern slavery and any risks of the same in their operations.

HVP discovered through its due diligence activities that a Malaysian downstream supplier of an Australian supplier of gloves to HVP had been identified by international organisations as breaching modern slavery standards. HVP took the decision during 2021 to discontinue the purchase of gloves from that Malaysian supplier and instructed its Australian based supplier that HVP only wishes to purchase gloves from other down stream suppliers/manufacturers.

Policies and Governance

HVP has taken the advice of external legal counsel on the requirements of the *Modern Slavery Act 2018*, as well as attended training provided by a second provider of legal services. In addition, HVP has engaged with an external legal compliance service in order to be kept up to date with developments in this, and other, relevant legislation.

HVP has reviewed its business operations in order to identify any areas of potential risk for modern slavery. In the course of this review, HVP has taken action to educate its employees about modern slavery in team meetings.

In 2020, HVP developed its first Modern Slavery Policy which functions alongside its other key operational policies including Occupational Health and Safety and Forest Stewardship Policies. This gives the issue of Modern Slavery added prominence in HVP's culture. In 2021 the Modern Slavery Policy was given further prominence by adding it to the display of other corporate policies at HVP head office in Melbourne.

HVP has also taken action to strengthen its approach to the management of modern slavery risks through the introduction of clauses into HVP's contracts with contractors, which include requirements that they:

- have procedures to ensure that there is no Modern Slavery in their supply chains and operations;
- advise HVP of any risks or events of Modern Slavery in their supply chains or operations; and
- comply with the reasonable directions of HVP to remediate any risks of Modern Slavery in their supply chains or operations.

In addition, HVP places a further obligation on all contractors to comply with employment law, including human rights laws and to provide all employee entitlements (payments or benefits required by law).

As part of HVP's modern slavery risk assessment process, higher risk suppliers were identified based on the geographical locations of their operations combined with the level of spend on those suppliers. HVP has conducted desk top audits of those suppliers, as well as engaged with those high risk suppliers to understand their modern slavery risk profile, requiring the suppliers to provide details of their modern slavery risk management processes and any deficiencies to HVP.

Impact of Covid-19

HVP operations and supply chains were impacted by Covid-19 to the extent that staff were required to work remotely from their usual place of business. However, there was no need for HVP to restructure its supply chain, nor were its operations reduced or shutdown due to Covid-19.

HVP was not able to conduct in person audits of its high risk suppliers due to the restrictions imposed on travel by Covid-19. HVP will be considering whether or not such in person audits are appropriate in the next reporting year, once Covid-19 restrictions are lifted. Accordingly, HVP's due diligence and risk assessment processes were confined to a combination of desk top audits, strengthened by direct contact through correspondence with its higher risk suppliers.

Process Review for Effectiveness

The active management of modern slavery risks continued to be a learning process for HVP during 2021.

As stated above, once the restrictions imposed by the Covid-19 pandemic are lifted, HVP will consider whether or not it's current interaction with suppliers (including those based overseas) needs to be strengthened by in-person audits.

Approval

This second Modern Slavery Statement was approved by the Board of HVP on 07 December 2021.



Director:

Date: 07 December 2021

Adrian Kloeden