



**MAYFLOWER**  
ENTERPRISES

**MODERN SLAVERY STATEMENT FY2020**



## MODERN SLAVERY STATEMENT FY20

### WHO WE ARE

Mayflower Enterprises Pty Ltd wholly owns Hyne & Son Pty Limited ABN 67 009 660 995 and XLAM Holdings Pty Ltd ABN 96609643969 collectively known as the Hyne Group. The Hyne Group has one board which oversees the entire Hyne Group which has enabled oversight and consultation between entities in the process of preparing this statement.

The Hyne Group is a locally owned private entity, deriving revenue through the saw-milling, manufacturing, processing and distribution of sawn timber, mass timber construction and timber products in Australia and New Zealand for the building and construction industries. The Hyne Group employs approximately 650 people and operates in Queensland, New South Wales, Victoria and New Zealand, and is administered by its main office located in Maryborough, Queensland.

It offers its products to frame and truss manufacturers, builders, timber and hardware stores, timber distributors and retailers, construction and development companies. In this statement, 'Hyne Group' refers to the operations of Mayflower Enterprises carried out through Hyne & Son Pty Limited, XLAM Holdings Pty Ltd and its related entities.

### OUR OPERATIONS

The Hyne Group is one of Australia's largest producers of sawn timber products and supplier to the Australian Construction industry. Our operations include sawmilling, mass timber construction and projects, manufactured timber goods, timber design and installation throughout the Australian Eastern Seaboard and New Zealand.

### OUR SUPPLY CHAINS

Our supply chain consists predominantly of goods and services procured for the purpose of enabling the Hyne Group to manufacture, process and distribute timber and timber products to our clients. The main goods and services that the Hyne Group procures are:

- (a) Logs
- (b) Transport
- (c) Additional Hyne value production
- (d) Labour hire/contract labour
- (e) Plant and equipment and machinery
- (f) Timber reciprocal
- (g) Chemicals/glue/resins
- (h) Repairs & maintenance
- (i) Other (Consumables, travel, cleaning)



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Most of the Hyne Group's suppliers are based in Australia. All of the Hyne Group's log resources are sourced within Australia from sustainably managed plantations in Queensland, New South Wales and Victoria. These forests are independently certified for compliance with AS 4708-2007 under Responsible Wood schemes. Every Hyne Group product also has full Chain of Custody certification which ensures our products have been sourced from sustainable, Responsible Wood certified resources. This is discussed in greater detail below under the heading 'External auditing – chain of custody'.

Hyne Group's suppliers outside of Australia are primarily located in North America as well as western Europe. The goods and services sourced from these overseas suppliers are predominantly related to the supply, repairs and maintenance of our plant, machinery and equipment

### MODERN SLAVERY RISKS

#### *Procurement Review*

In December 2019, the Hyne Group undertook an extensive Procurement Review with the objective to assess the design effectiveness of the organisation's procurement controls currently in place to allow improvement opportunities and priorities to be identified to further strengthen the procurement environment and governance around our supply chains. These controls are an integral component for mitigating financial and compliance risks for the Hyne Group, including risks in relation to modern slavery.

The review identified several improvements to the procurement control and processes that could be made. Management have developed a Roadmap which has commenced a response to the improvements.

#### *Modern slavery risk assessment*

The risk is recognised on the Hyne Group Enterprise Risk Register under Environmental, Social and Corporate Governance (ESG). In addition to the broader procurement review outlined above, the Hyne Group has conducted a preliminary assessment of modern slavery risks within its operations and supply chain based on typical risk indicators as set out below and the use of references such as the Trafficking Victims Protection Reauthorization Act List 2020 (TVPRA List) which provides a list of goods from countries produced by forced labour or child labour in violation of international standards. The conclusions from this assessment are set out below.

Sector and industry risks	
Indicators	Hyne Group
<ul style="list-style-type: none"> <li>• Use of unskilled, temporary or seasonal labour.</li> <li>• Use of short-term contracts and outsourcing.</li> <li>• Use of foreign workers or temporary or unskilled labour to carry out functions which are not immediately visible because the work is undertaken at night-time or in remote locations, such as security or cleaning.</li> <li>• Use of child labour in hazardous conditions, such as underground, with dangerous machinery or tools, in unhealthy environments (including where they are exposed to physical or sexual abuse), or for long hours.</li> </ul>	<p>We do not source goods from high risk sectors and industries and our current estimation is that our suppliers are unlikely to be doing so in sourcing supply for the Hyne Group.</p>

<ul style="list-style-type: none"> <li>Recruitment strategies by suppliers, their agents or labour hire agencies targeting specific individuals and groups from marginalised or disadvantaged communities.</li> <li>The sector involves direct engagement with children, including through orphanage tourism and other forms of 'voluntourism' (including through companies' social investment and corporate social responsibility programs).</li> </ul>	
Product and services risks	
Indicators	Hyne Group
<ul style="list-style-type: none"> <li>Cost requirements or delivery timeframes might require suppliers to engage in excessive working hours, make cost savings on labour hire or rapidly increase workforce size.</li> <li>The development of the product or delivery of the services has been reported as involving labour exploitation by international organisations or NGOs.</li> <li>Children are often used in the development of the product or delivery of the service, such as carpet weaving.</li> <li>The product or components of the product are made in countries where there is a high risk of labour exploitation reported by international organisations or NGOs.</li> <li>The services are provided in countries where there is a high risk of labour exploitation reported by international organisations or NGOs.</li> <li>The product is made from materials or using services reported to involve a high risk of labour exploitation by international organisations or NGOs.</li> </ul>	<p>We have not identified any high-risk products or services based on the nature of the products and services sourced.</p> <p>The majority of our products and services are sourced from within Australia, with plant and equipment and machinery sourced from Western Europe, USA and Canada.</p> <p>We believe that our product and service risk is low given that we do not source products or services from the risk groups and countries identified.</p>
Geographic risks	
Indicators	Hyne Group
<ul style="list-style-type: none"> <li>The country has not ratified international conventions relevant to modern slavery, such as: the International Convention to Suppress the Slave Trade and Slavery (1926); ILO Convention (No. 29) concerning Forced or Compulsory Labour (1930); the Supplementary Convention on the Abolition of Slavery, the Slave Trade and Practices similar to Slavery (1956); the Protocol to Suppress, Prevent and Punish Trafficking in Persons, Especially Women and Children (2000); ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (1999).</li> <li>The country is reported to have a high prevalence of modern slavery or labour rights violations, other human rights violations and/or child labour by international organisations or NGOs.</li> </ul>	<p>As noted above, the majority of our goods and services are procured from Australian sources and our overseas suppliers are based in the USA, Canada and Western Europe.</p> <p>We have identified one potential geographical risk where one of our Suppliers, sources chemicals sold to Hyne Group, from a manufacturer located in India. We recognise</p>

<ul style="list-style-type: none"> <li>• The country has inadequate protections for workers, including no or weak capacity to effectively monitor workplace standards and enforce compliance with national standards.</li> <li>• Law enforcement agencies are reported to be hostile to workers in at risk industries.</li> <li>• The country forces parts of the population to work for development purposes, for example to assist in construction or agriculture.</li> <li>• The country is reported to have weak rule of law by international organisations or NGOs, including due to corruption, conflict and/or political instability.</li> <li>• The country has a high prevalence of people who are vulnerable to exploitation because they are impoverished, displaced or subject to severe discrimination.</li> </ul>	<p>the risk and have sought to verify the working conditions from information reasonably available to us about the chemical manufacturer, its operations and labour force.</p> <p>The supplier has been unable to directly verify the conditions by an in person visit due to Covid-19 but has otherwise met representatives of the company in the past when establishing the supply in mid-2019. We intend to continue our due diligence in relation to this supplier in the coming year.</p> <p>Our overall geographic assessment indicates a low geographic risk of modern slavery.</p>
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**Entity risks**

Indicators	Hyne Group
<ul style="list-style-type: none"> <li>• Entity has previously been reported as non-compliant with human rights or labour standards, including by media or NGO sources.</li> <li>• Entity's procurement and sourcing processes appear poorly managed or inefficient.</li> <li>• Entity has complex or opaque supply chains.</li> <li>• Workers appear to have little information about workplace entitlements and protections and there is a general lack of information about workplace standards.</li> <li>• Audit results for the entity appear unreliable or conflict with other sources of information about the supplier, such as NGO reports.</li> <li>• Staff recruitment costs by labour hire companies or recruiters are not covered by the company, meaning that recruitment expenses such as travel may be improperly imposed on workers.</li> <li>• Entity provides residential care for children overseas.</li> </ul>	<p>We are not aware of any adverse reports or issues relating to our suppliers that may be indicative of modern slavery practices and risks.</p>

**Indicators of modern slavery**

<p>The suspected victim or victims are:</p>	<p>We are not aware of any of these indicators being present</p>
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<ul style="list-style-type: none"> <li>• living at the workplace, or another place owned/controlled by their employer;</li> <li>• underpaid or not paid at all;</li> <li>• required to work excessive hours;</li> <li>• confined or isolated in the workplace or only leave at odd times;</li> <li>• guarded at work or in their accommodation;</li> <li>• isolated in remote locations that are difficult to access and/or restricted from contacting or interacting with people outside the workplace (for example, their phones are confiscated, or they are supervised when in public);</li> <li>• managed by an intermediary or third party who 'holds' or 'invests' their money for them;</li> <li>• subject to different or less favourable working conditions than other workers because of their country of origin, gender or other factors;</li> <li>• unable to terminate their employment at any time;</li> <li>• appear to be servicing a debt to an employer or a third party (such as a recruitment agent);</li> <li>• appear to be subjected to, or threatened with, violence, emotional, sexual, verbal or physical abuse and/or degrading treatment in connection with their employment;</li> <li>• appear to be subjected to intimidation, such as threats to their family or close relations in connection with their employment;</li> <li>• appear to have false travel or personal documents and/or are not allowed access to these documents because they are being held by an employer or third party;</li> <li>• appear to have been deceived about the conditions of their employment are not provided with contracts in a language and format that they can easily understand;</li> <li>• are not informed of, or do not appear able to understand the terms and conditions of their employment;</li> <li>• are not provided with any protective equipment, training or means to refuse to participate in dangerous work practices, or refuse to handle known toxic materials or hazards;</li> <li>• do not have permission to work because they are from another country or appear to be working in breach of visa requirements.</li> </ul>	<p>in the working conditions of our direct suppliers.</p> <p>In the coming year we intend to seek information from our suppliers in relation to their supply chains to identify those operating in high risk geographic, industry and goods sectors to assess the risk of modern slavery practices of those indirect suppliers in the supply chain.</p>
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It is our aim to further evolve this risk assessment in the coming year through our due diligence program outlined below.

## **OUR APPROACH TO MODERN SLAVERY**

### ***Our Operations***

The Hyne Group is confident that it has no modern slavery practices within its own operations.

The Hyne Group has a dedicated human resources, health and safety and legal team to ensure:

- Workforce engagement, policies and procedures, guidelines to protect working conditions and human rights of our employees, customers and suppliers through our code of conduct covering areas such as Appropriate Workplace Behaviour, Freedom of Expression and Association and Safe Working Environment.
- Compliance with National Employment Standards, relevant industry awards and obligations under our Queensland and Tumbarumba Enterprise Agreements;
- Documented working conditions throughout employment contracts;
- Seeking advice from industrial and employee relations experts on obligations above.

Through these methods we aim to comply with relevant Australian workplace laws, including those that deal with employment conditions and safety, and other community expectations and ethical standards.

### ***External Auditing – Chain of Custody***

The softwood resources used in the production of Hyne Group products are sourced from sustainably managed plantations in Queensland, New South Wales and Victoria. These forests are independently certified for compliance with Australian Standard AS 4707:2014 – Chain of custody for forest products. The Hyne Group is also independently audited for compliance with AS 4707:2014.

Section 9 of AS 4707:2014 sets out social, health and safety requirements which require those entities audited against AS 4707:2014 to demonstrate that:

- 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*
- working conditions do not endanger safety or health*

The Hyne Group relies on the certification of its suppliers of softwood resources in accordance with AS 4707:2014 to verify that risks of modern slavery are not present in the operations of those suppliers.

### ***Supply Chain Due Diligence and ongoing assessment***

Further to the preliminary assessment of modern slavery risks outlined above, the Hyne Group has developed a due diligence program that will allow it to continue its assessment of modern slavery risks in

its supply chain over the coming year and beyond. The assessment of suppliers has been prioritised based on several factors including:

- Hyne Group's level of spend with the supplier;
- Location of the supplier;
- Frequency/regularity with which Hyne uses the supplier; and
- Nature of products/services sourced and any particular risk indicators attaching to them.

As part of this process, the Hyne Group evaluates each supplier, the services they provide and what the supply chain above the direct supplier looks like. The Hyne Group also monitors and manages enterprise risks through supplier non-compliance with chain of custody, non-conforming building products, Work Health and Safety, and the Fair Work Act.

Focussing on suppliers, using reference guides such as the current editions of the TVPRA List, to identify those operating in high risk geographical, industry and goods categories, our procurement function shall undertake a more specific and detailed risk assessment. This is achieved through our questionnaire to be completed along with a request for evidence in the first instance for verification and further investigation if warranted.

#### ***Policies***

Hyne Group has a Modern Slavery and Human Trafficking Policy, which sets out the Hyne Group's expectations with respect to the management of modern slavery risks within its operations and supply chain and broadly how it aims to achieve these. It also provides a mechanism for reporting breaches of the policy within the group including through the Hyne Group Whistler Blower Policy.

#### ***Contractual clauses***

The Hyne Group is progressively including contractual clauses in relation to modern slavery into our new contracts and those contracts that are being renewed with our supply chain.

#### ***Procurement processes***

The Hyne Group has developed a questionnaire and supplier evaluation on financial, social and technical and safety capabilities to be provided to suppliers, who we identify as potential high risk, in order to identify modern slavery risks as part of the due diligence program outlined above.

## **REVIEWING OUR SYSTEMS**

The Head of Group Legal, Commercial and Procurement is responsible for overseeing our approach to modern slavery. This includes conducting a yearly review of our modern slavery risk management system to determine its effectiveness.

The foundational work leading into our first reporting period provides a base whereby we can leverage the data collation, analysis and due diligence performed to date, and actions taken, to pave the way for enhanced monitoring and reporting in FY2021. In FY2020, our efforts and resources have focused on identification of and assessment of our suppliers, with further actions planned to enhance our approach





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to assessing suppliers and their supply chains in FY 2021. Our approach to measuring the effectiveness of how we assess and manage modern slavery-related issues continues to evolve.

In the coming year our goal is to gain greater knowledge about our suppliers' operations and understand the indirect supply chains used by our direct supplier. In the next year our modern slavery risk management system will be reviewed against this goal.

### OUR COMMITMENT

The Hyne Group is committed to eliminating modern slavery in all its forms across the Group, and to continuously improve strategies to identify and mitigate modern slavery and ethical sourcing risks. We commit to continuing to track and publicly report on our progress.

We are committed to communicating transparently regarding the risk of modern slavery in our operations and supply chain. Clients, vendors and other stakeholders who approach us directly for information in relation to our Modern Slavery Statements outside of what is disclosed in this Modern Slavery Statement will be directed to Head of Group Legal Commercial and Procurement.

Approved by the Board of Mayflower Enterprises Pty Ltd and signed with the authority of the Board of Mayflower Enterprises Pty Ltd by:

Peter Hyne

Director

28 April 2021

