

Modern Slavery¹ Policy

Intent

MFG Management Limited, manager of the Matariki Forestry Group, which includes Matariki Forests and Matariki Forests Trading Limited (together commonly referred to as “MFG”) is committed to conducting its business operations in an ethical and responsible manner.

MFG recognizes that continuing action is needed to identify, address and eradicate all forms of modern slavery in its business and supply chain.

While MFG currently employs approximately 100 staff to manage MFG, the majority of MFGs operational activities are carried out by Contractors. The number of Contractors (including employees) varies during the year but ranges from approximately 600-800 persons.

One of MFG’s core value is to ‘Do the right thing’. This means treating people with respect and acting fairly and honestly in all our business dealings. Doing the right thing is also being:

- watchful of any practices that might deprive people of their human and labour rights; and
- vigilant to the risks of damage that Modern Slavery could cause if this practice were to infiltrate MFG’s supply chain.

We recognize that for those parts of MFG’s supply chain which are domiciled in New Zealand, the risk of Modern Slavery is relatively low. This is because New Zealand law prohibits the exploitative practices considered to comprise Modern Slavery. MFG’s contractor work force is relatively settled, skilled and fairly remunerated, suggesting it is less likely to be susceptible to Modern Slavery than those supply chains which use low skilled or transient labour in their supply chain.

In its capacity as a service provider to AVA Timber LP (AVA) and at the direction and on behalf of AVA, MFG also secures offshore services from third parties such as vessel chartering and in-market sales agency services in markets which are considered to have a higher risk of Modern Slavery. This policy is therefore subject to the AVA Modern Slavery Policy in respect of the provision of these offshore services and to the extent of any inconsistency between the two policies.

¹ ¹ In the context of this Policy Modern Slavery means the exploitative practices of people trafficking, slavery and slavery-like practices including forced labour, debt bondage and involuntary servitude. These practices are currently outlawed under various pieces of New Zealand legislation (Crimes Act, Immigration Act). Recent New Zealand examples of these practices tend to involve immigrants being brought to New Zealand from third world countries under false pretenses relating to type of work, working and living conditions and freedom to leave at any time (by withholding passports). MFG does not engage in, support, or tolerate the use of forced labour (including modern slavery and human trafficking) or child labour within our operations or those of our contractors.

“Forced labour” occurs when individuals are compelled against their will to provide work or service through the use of force, fraud, or coercion.

“Human trafficking” involves the use of force, fraud, or coercion to obtain some type of labour or commercial sex act.

“Child Labour” is mentally, physically, socially, or morally dangerous and harmful to children and/or interferes with their schooling

Our objective is to ensure that the risk of Modern Slavery practices occurring in both MFG and AVA's supply chains are, to the fullest extent possible, minimized or eradicated. We will achieve this by:

- identifying high risk countries or industries where modern slavery is prevalent.
- working with AVA where appropriate, make employees and suppliers aware of the existence and risks of Modern Slavery, clearly communicate AVA and MFG's common position on this practice and provide appropriate literature where necessary to achieve this objective.
- continuing to support and comply with relevant New Zealand Government initiatives.
- consistent with the principle of continuous improvement, this Policy will be reviewed biennially.

Breach

If any person suspects there is a risk that a contractor or supplier to MFG is engaging in Modern Slavery practices, that person should communicate their concerns to MFG by either:

- reporting your concerns via the "[Reporting of Illegal or Unethical Conduct](#)" form on the Matariki Forest website
- contacting MFG in person

Any alleged breach of this Policy shall be investigated, and its outcome shall be documented.

Should MFG become aware that any Contractor or Supplier does not meet its expectations in respect of ethical practice, MFG will engage directly with that party and develop an action plan to remedy any breaches in a transparent, timely and efficient manner. If the Contractor or Supplier is not cooperative, MFG may consider taking steps to end the business relationship, having regard to the circumstances, and report the case to the appropriate authorities if necessary.

Responsibilities

MFG senior management holds overall responsibility for the implementation of this Policy.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and the issue of modern slavery in supply chains.