

**BSW
GROUP**

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Building
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Worlds

BSW Group **Modern Slavery and Human Trafficking Statement**

Introduction

This is BSW Group's (the 'Company') statement on slavery and human trafficking and is made pursuant to section 54(6) of the Modern Slavery Act 2015 (the 'Act'). It sets out BSW Group's actions to understand all potential modern slavery risks relating to its business, and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This updated statement relates to actions and activities during the 12 month financial period up to 31st December 2022.

As part of the timber sawmilling and forestry harvesting sector, we recognise that modern slavery and human trafficking is a global problem transcending age, gender, and ethnicity. The BSW Group supports the global fight against labour abuse in the supply chain.

We understand that we have a responsibility to take a robust approach to slavery and human trafficking and we continue to take our obligation very seriously. Our Company is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

Our Business and Supply Chains

As the largest integrated forestry business in the UK, and a member of Binderholz – Europe's leading timber processing operation – BSW Group is a rapidly developing multi-site business, with operations spanning forestry, sawmilling, timber manufacturing and energy.

The BSW Group's principal activities are in domestic timber sawmilling and forestry harvesting and management. Following the acquisition of BSW Timber Solutions Ltd and Bayram Timber Ltd in 2020 and 2021 respectively our supply chain structure remains complicated as it involves multiple levels of suppliers, sometimes with product moving from one external source through to other external sources, to eventually a finished good. There can be a very simple supplier relationship whereby BSW purchases an item for onward sale to our customer. The wide range, breadth and depth of the supply chain makes it challenging to effectively manage our suppliers' policies towards human rights and environmental issues. We insist that it is the ultimate responsibility of any supplier to ensure compliance, if they wish to carry out any business with BSW.

This statement is published on behalf of all the BSW Group companies and approved by the boards of individual subsidiaries as a board minute. An Organisation Chart is shown at the end of this statement.

BSW Group source its timber products from well managed sustainable sources in accordance with our Timber Purchasing Policy, in line with our certified chain of custody scheme. (Certificate number SA-PEFC-CoC-004821 SA-COC-004821 FSC-C023225).

It is important to us that we continuously identify any risks and areas for improvement and then implement the appropriate actions. As part of our ongoing drive to meet our business standards and values, we continue to monitor and assess our suppliers. At the same time, to continually seek to enhance supplier standards, we continue to reduce and rationalise our supplier base, enabling us to have fewer and stronger supplier partnerships, which in turn enables us to have a greater knowledge and awareness of our business partners.

It remains our aim to deal with suppliers who have ethical and responsible sourcing practices in place and avoid sourcing from companies not fulfilling Supplier Standard requirements or their equivalent. Preferably, suppliers should work with corporate social responsibility issues in a way that follows the guidelines set out in the Ethical Trade Initiative (ETI) base code and/or ISO 26000. Also, suppliers shall be aware of all sites and companies involved in their production and supply network and should upon request be able to provide BSW with adequate details of the supply chain for the goods supplied to BSW.

Relevant Policies

The BSW Group Operational Board of Directors has responsibility for anti-slavery initiatives within its own business, its subsidiaries and supply chains which include the implementation of policies, risk assessments, investigations, due diligence, and training.

The safeguarding of our employees' welfare is of paramount importance, and we have many controls and policies in place to ensure that we are providing a safe, fair, and rewarding environment in all our business locations. Our Whistle Blowing Policy encourages all our workers, customers, and other business partners to report any concerns related to the direct activities, or the supply chains of, our business. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. It has been designed to make it easy for workers to make disclosures, without fear of retaliation. Employees, customers, or others who have concerns can complete our confidential disclosure form.

Other relevant policies include: -

- Bribery Prevention Policy
- Anti-Competition Policy
- Grievance Policy
- Employee Assistance Programme for confidential help and advice
- Corporate Social Responsibility Policy
- Purchasing Policy & Supplier and New Supplier Approval and Evaluation Procedure
- Supplier Code of Conduct
- Equal Opportunities and Dignity at Work Policy
- Data Protection and Retention Policy
- Stress Policy
- Safeguarding Children and Vulnerable Adults Policy
- Recruitment and Selection Policy

We will continue to review and update these policies and practices regularly to ensure that individuals across all our business and supply chain are treated with dignity and respect.

Risk Assessments / Due Diligence

The risk of slavery and human trafficking within the BSW Group is substantially avoided because of strict recruitment and employment processes, policies, and procedures. This includes: -

- Robust internal data checking processes which incorporates the checking of Proof of Right to Work documentation, employee bank details and addresses to identify risk areas.
- Training our management team at all levels about modern slavery through a Modern Slavery Awareness e-learning module or face to face delivery.
- Adhering to UK working guidelines which includes The Working Time Regulations and National Minimum Wage legislation.
- Using only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency.
- Our values make clear to employees the actions and behaviour expected of them when representing our Company. We strive to maintain the highest standards of employee conduct and ethical behaviour across all areas of the business.

We consider that the greatest level of risk is in our supply chain where we undertake due diligence when taking on new suppliers and continue to regularly review our existing suppliers.

We have a robust supplier list with whom we are confident match our standards of environmental, social and employment policies. We continue to audit our suppliers and follow the relevant protocols for accepting new suppliers to the business.

Timber suppliers are assessed as part of the evaluation of wood harvested in violation of traditional and civil rights which includes violation of any of the ILO Core Conventions, as defined in ILO Declaration on Fundamental Principles and Rights at Work, 1998 i.e., freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation and abolition of child labour.

The Company's due diligence and reviews include the following: -

- Map the supply chain broadly to assess product, sector or geographical risks of modern slavery and human trafficking.
- Evaluate the modern slavery and human trafficking risks of each new supplier.
- Strive to monitor and improve supply chain transparency on a continuous basis.
- Engage with suppliers to provide advice, support, and remediation, if necessary, to implement improvement plans and manage risk if required.

ETI Base Code

During 2021, several BSW businesses within the BSW Group committed to working towards applying the standards as defined within the Ethical Trading Initiative (ETI) Base Code, including BSW Timber Ltd, BSW Timber Solutions Ltd and Bayram Ltd. This will enable us to continue to develop our high level of integrity and professionalism in our working practices in relation to ethical trading.

Using the ETI Base Code enables us to continue to develop our ethical trading principles within which we work to; with our employees, customers, suppliers, and the wider community in which we operate.

Ongoing training and engagement activities are being rolled out across the group as we continue to advance our ETI programme and ensure employees are aware of our commitment in complying with the Code.

Sedex Membership

Since March 2021, BSW Timber Ltd and BSW Timber Solutions Ltd has made further progress towards addressing the risk of modern slavery and human trafficking by joining Sedex, the world's leading ethical trade membership organisation as a supplier member and will take full advantage of the services available.

Effectiveness and Performance Review

Our key performance indicators are the number of approved suppliers, the number of employees trained on modern slavery and human rights. The number of cases or incidents highlighted or brought to our attention in our supply chain.

Reporting

During the period to end December 2022, the Company can report that there have been no occurrences raised.

Training

Modern Slavery and Human Trafficking Awareness is included as part of our induction training process for all employees.

The Company requires staff working across the business as senior managers / supply chain managers / HR professionals to participate in training sessions which cover: -

- Our purchasing practices, which influence supply chain conditions, and which should therefore be designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage, or the provision of products by an unrealistic deadline.
- How to assess the risk of slavery and human trafficking in relation to various aspects of the business, including resources and support available.
- How to identify the signs of slavery and human trafficking.
- What initial steps should be taken if slavery or human trafficking is suspected.
- How to escalate potential slavery or human trafficking issues to the relevant parties within the business.
- What external help is available, for example through the Modern Slavery Helpline, Gangmasters Licensing Authority.
- Remediation for affected workers or those at risk should any instances be identified.

Awareness-raising programme

As well as training staff, we have raised awareness of modern slavery issues by putting up posters across our sites.

The posters explain to employees:

- the basic principles of the Modern Slavery Act 2015.
- how employers can identify and prevent slavery and human trafficking.
- what employees can do to flag up potential slavery or human trafficking issues to the relevant parties within our Company; and
- what external help is available, for example through the Modern Slavery Helpline.

Further Steps to prevent modern slavery in our business and supply chain during 2023: -

- We continue to review and develop our training and awareness programmes across the business which has included an e-learning Anti Bribery and Corruption Training package for all relevant employees.
- We will continue to work closely within all areas of our business to ensure that any potential risks or issues are detected through customer audits and/or external audits (e.g., SEDEX) to ensure that all issues or queries are resolved, and any training/development needs identified and addressed.
- Further embedding of our purchasing policy and processes to expand the use of our approved suppliers.

Board Approval

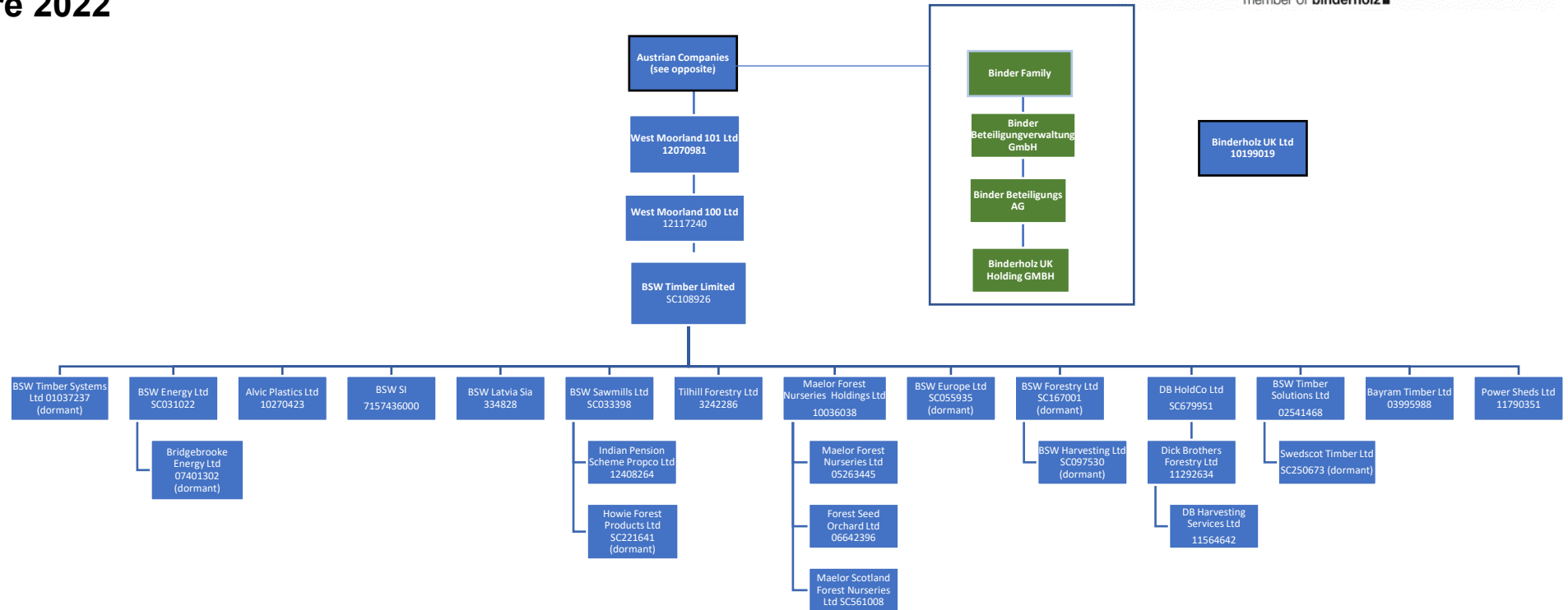
This statement has been approved by the Company's Board of Directors, who will review and update it annually.

Chief Executive Officer's Signature: 

Chief Executive Officer's Name: Anthony Hackney

Date: 25th May 2023

BSW Group: Legal Structure 2022



Notes:

All 100% subsidiaries, unless stated:

- BSW Timber Limited own 75% of Alvic Plastics Ltd, with agreed mechanism to acquire remaining 25% held by Al Ghattaura.
- BSW Harvesting Ltd own 70% by BSW Forestry Ltd with remaining 30% held by UPM Kymmene (UK) Ltd.
- BSW Timber Limited own 80% of DB Holdco Ltd, with agreed mechanism to acquire remaining 20% held by Dick family.
- BSW Timber Limited own 50% of Power Sheds Ltd, with agreed mechanism to acquire 50% held by Jack Sutcliffe and Simon Hobson.
- Binderholz UK Ltd 100% owned by Binder Beteiligungs AG.