



**BSW
GROUP**

member of binderholz

Building
Sustainable
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 relates to actions and activities during the 12-month financial period up to 31st December 2024.

This statement 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.

As part of the timber sawmilling, forestry harvesting and manufacturing sectors, we recognise that modern slavery and human trafficking is a global problem transcending age, gender, and ethnicity and therefore it continues to be a priority for the BSW Group to ensure that we trade ethically, source responsibly and work to prevent modern slavery and human trafficking.

We take any allegation of human rights abuse in all its forms seriously and will not tolerate human rights abuse against individuals with the BSW Group's organisation or supply chain.

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 multi-site business, with operations spanning forestry, sawmilling, timber manufacturing and energy.

The BSW Group's principal activities are in domestic timber sawmilling, forestry harvesting and management, timber manufacturing and timber pallet and packaging solutions.

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 conduct any business with BSW.

This statement is published on behalf of all the BSW Group companies. An Organisation Chart is shown at the end of this statement.

BSW Group source their 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 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.

Relevant policies include: -

- Safeguarding Children & Vulnerable Adults Policy
- Anti-Harassment and Anti-Bullying Policy
- Equality, Diversity, and Inclusion (EDI) Policy
- Anti-Competition Policy
- Bribery Prevention Policy
- Whistleblowing Policy
- Flexible Working Request Policy
- Ethical Trading Initiative - Policy Statement
- Environmental, Social and Governance (ESG) Policy
- Recruitment and Selection Policy
- Grievance Policy
- Employee Assistance Programme for confidential help and advice
- Purchasing Policy & Supplier and New Supplier Approval and Evaluation Procedure
- Supplier Code of Conduct
- Stress Policy
- Data Protection and Retention Policy
- IT Policy

We 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 incorporate 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 and amended in 2022 i.e.,

1. freedom of association and the effective recognition of the right to collective bargaining.
2. the elimination of all forms of forced or compulsory labour.
3. the effective abolition of child labour.
4. the elimination of discrimination in respect of employment and occupation; and
5. a safe and healthy working environment.

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

Several BSW businesses within the BSW Group are committed to working towards applying the standards as defined within the Ethical Trading Initiative (ETI) Base Code. This will enable us to continue to develop our high level of integrity and professionalism in our working practices in relation to ethical trading.

Sedex

BSW Timber Ltd & BSW Timber Solutions Ltd are committed to addressing the risk of modern slavery and human trafficking by following the Ethical Trading Initiative (ETI) Base Code. We are registered with SEDEX, the world's leading ethical trade membership organisation, and 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 2024, 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. These posters explain the basic principles of the Modern Slavery Act, how to identify and prevent slavery and how to flag potential human trafficking issues.

Further Steps to prevent modern slavery in our business and supply chain during 2025: -

- Continue to review and develop our training and awareness programmes across the business.
- Continue to work closely within our business to ensure that any potential risks or issues are detected through customer audits and/or external audits to ensure that all issues are resolved.
- source our suppliers in a responsible manner that meet our expected compliance standards.
- require all our suppliers to operate in full compliance with all applicable laws and regulations.

Board Approval

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

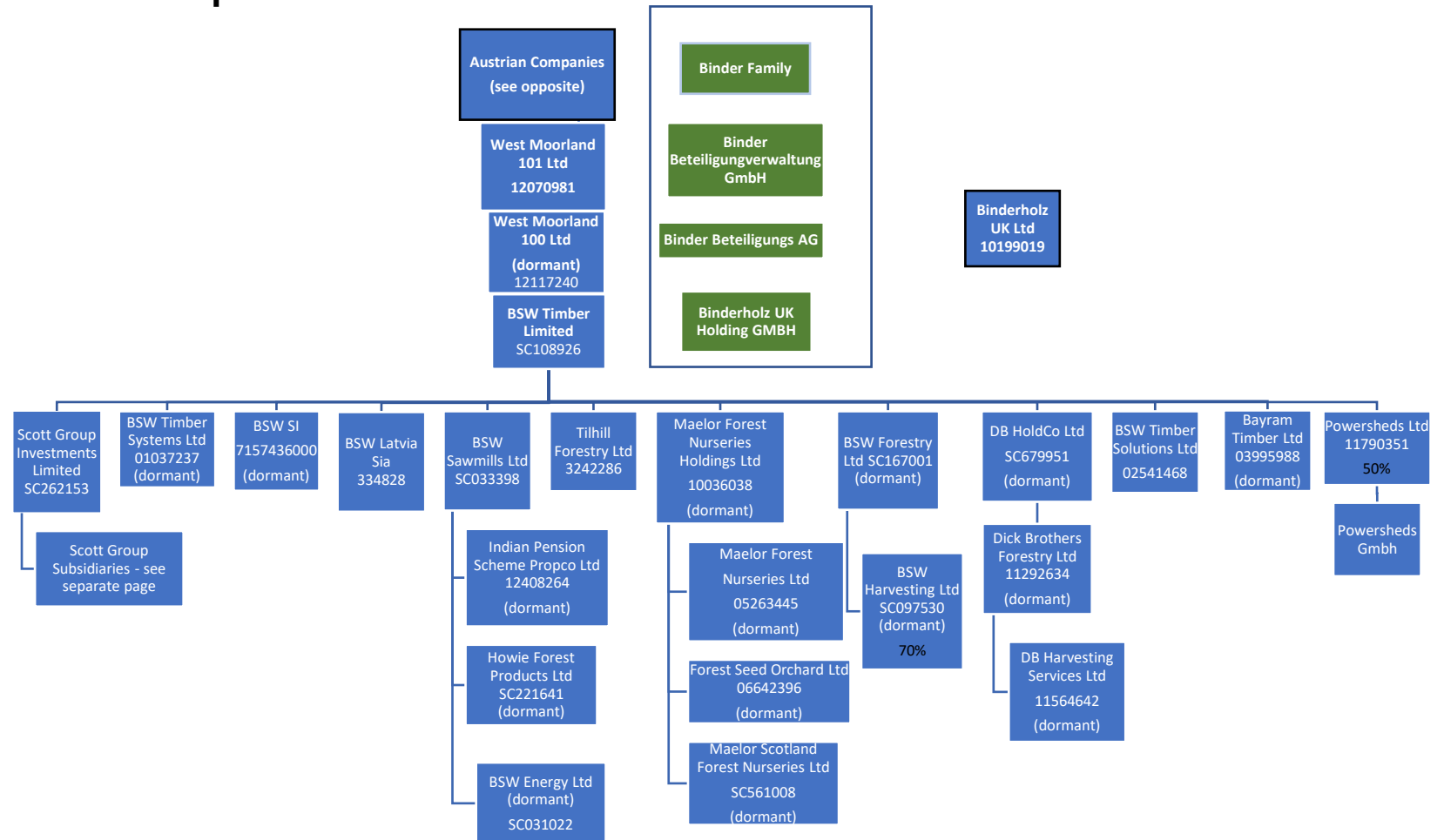


Chief Financial Officer's Signature:

Chief Financial Officer's Name: Alan Milne

Date: 15th May 2025

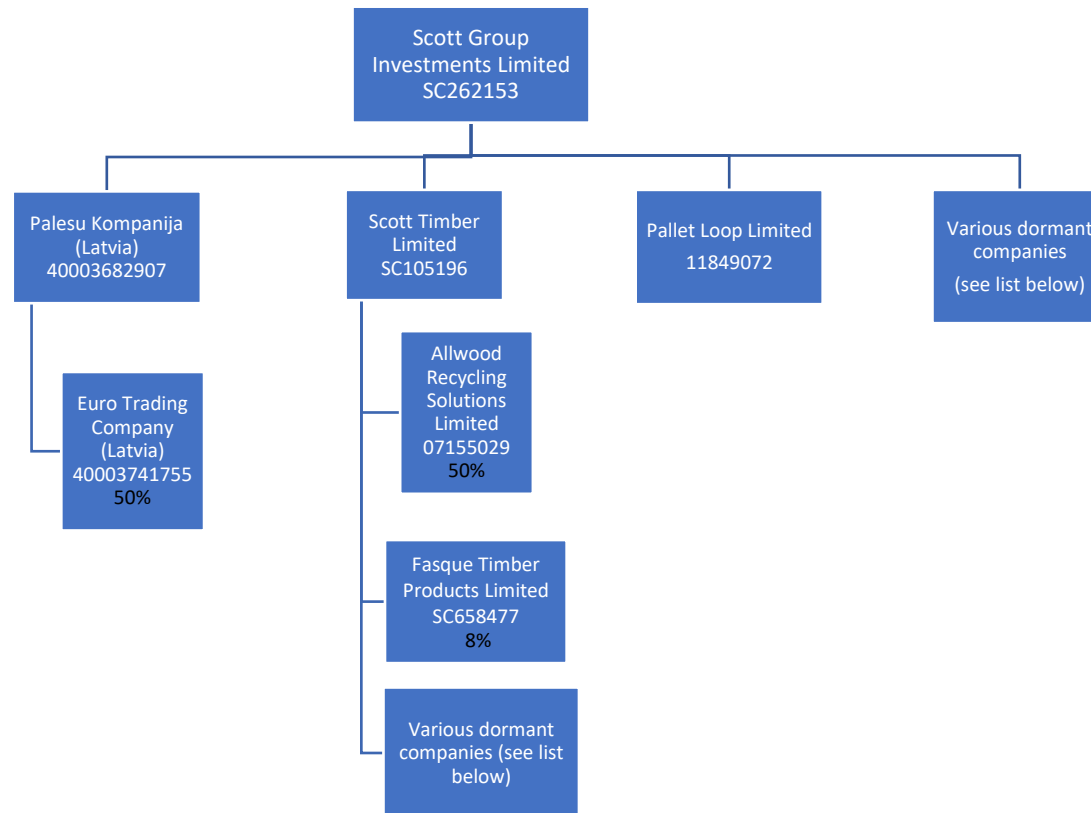
BSW Group: Legal Structure 29 April 2025



Notes:

All 100% subsidiaries, unless stated:

- BSW Harvesting Ltd own 70% by BSW Forestry Ltd with remaining 30% held by UPM Kymmene (UK) Ltd.
- BSW Timber Limited own 50% of Powersheds Ltd, with agreed mechanism to acquire 50% held by Jack Sutcliffe and Simon Hobson.
- Binderholz UK Ltd 100% owned by Binder Beteiligungs AG.



Dormant Subsidiaries of SGIL

Combine Pallet Co Limited 00948300
 Hambrook Pallets Limited 01532906
 Marlaw Pallet Services Limited SC110919
 Scott Group Limited SC323077
 Scott Packaging Ltd 02701453
 SGIL GH Limited 00435919
 STH (No 157) Limited SC187620
 SGIL Loop Investments Limited SC744448
 Scott ELM Limited 06219110
 Pallet 2 Packaging Limited SC588553

Dormant Subsidiaries of Scott Timber Limited

HLC (Wood Products) Limited 02040431
 SGIL HS Holdings Limited 05169754
 SGIL HS Limited 00339323
 Whirlowdale Trading Company Limited 01202861
 Williams Pallet Services Limited 01986657

Notes:

SGIL owns 51% of Scott ELM Limited
 SGIL owns 50% Euro Trading Company (Latvia), remaining 50% held by Ivo Sneiders
 Scott Timber Ltd owns 50% Allwood Recycling Solutions Ltd, with agreed mechanism to acquire 50% held by Darren Wheeler and Melanie Wheeler
 Scott Timber Ltd owns 8% of Fasque Timber Products Ltd