



CORPORATE SOCIAL RESPONSIBILITY POLICY



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CHIEF EXECUTIVE INTRODUCTION

OUR VISION

To lead the timber and forest industry by being the most innovative, technically advanced sustainable business. Striving to exceed our clients and customers expectations, at home and across the globe

We aim to achieve our Vision whilst delivering the commitments set out within our Corporate Social Policy. We will ensure value, respect and care for our people, our customers, suppliers, business partners and the environment. We will ensure that our profit is earned and valued. Our Vision will be integrated into all our business decisions. With a business built on nature the way we act affects us all.

I am very proud to support the implementation of this, our second Corporate Social Responsibility Policy.

In the last five years the Company has grown to embrace the entire supply chain from tree seedling through planting, forest management and harvesting, timber processing and sawmilling to building in wood. I see this Policy as being the catalyst for closer working together and developing the Group into the 'best to do business with' and the 'best to work for'.

In setting out this Policy, we draw on and build on existing policies such as health and safety, quality, environmental, equal opportunities and dignity at work, and sustainable business policies. Through adopting this Policy everyone will be set the challenge to make improvements and to develop our performance and reputation.

BSW Group takes a leadership role in embracing and developing social responsibility.

We will conduct our business in a responsible manner which respects and rewards our employees, works with the communities in which we operate and respects our trading partners, suppliers, customers and other stakeholders.

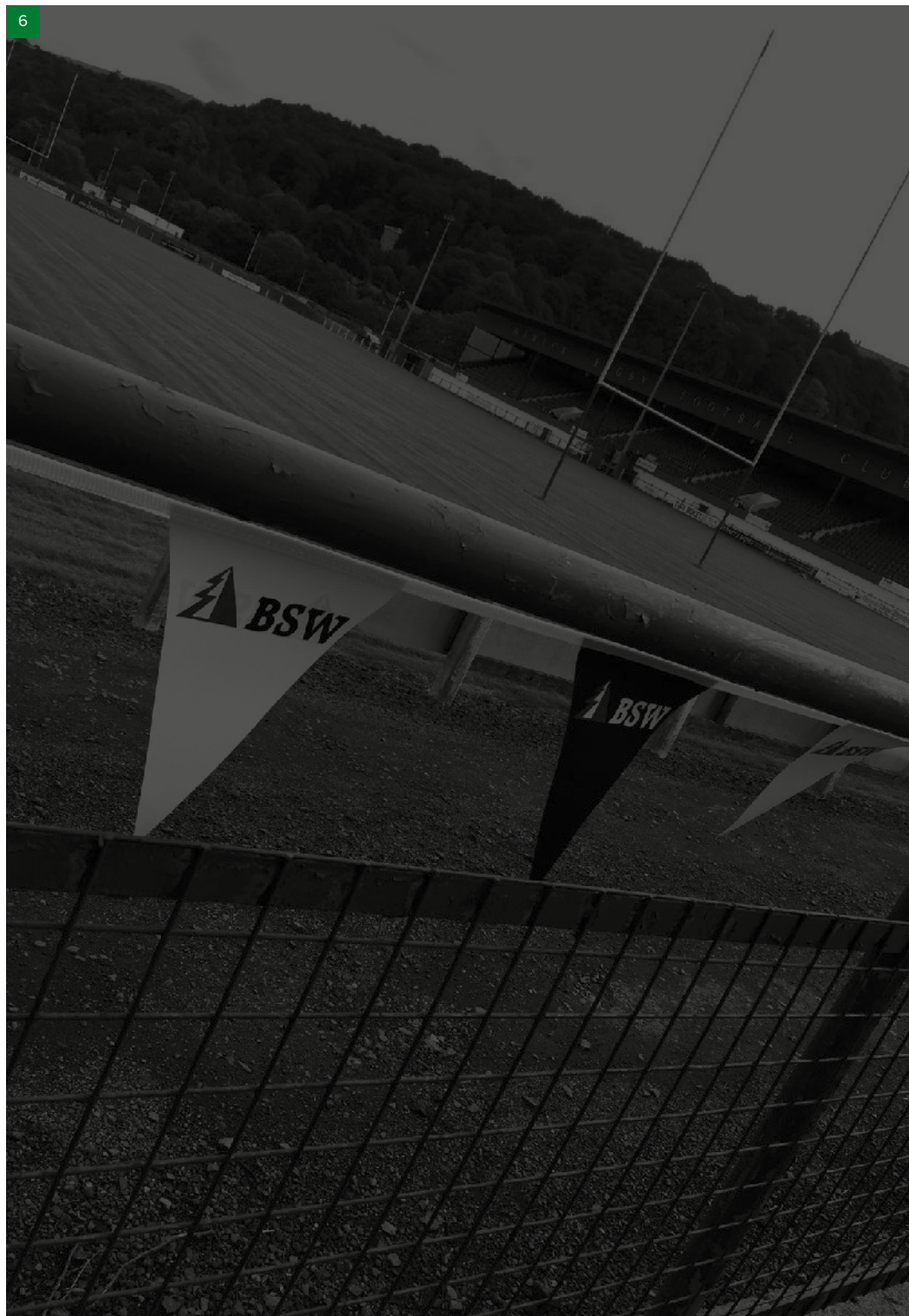
We will ensure that our environmental impact is minimised and look to enhance the environment through our business which works in the areas of sustainable forest management, as well as sustainable timber resourcing for construction projects and a whole range of other applications.

We will endeavour to ensure a business which provides for all our futures by making sustainable profit.

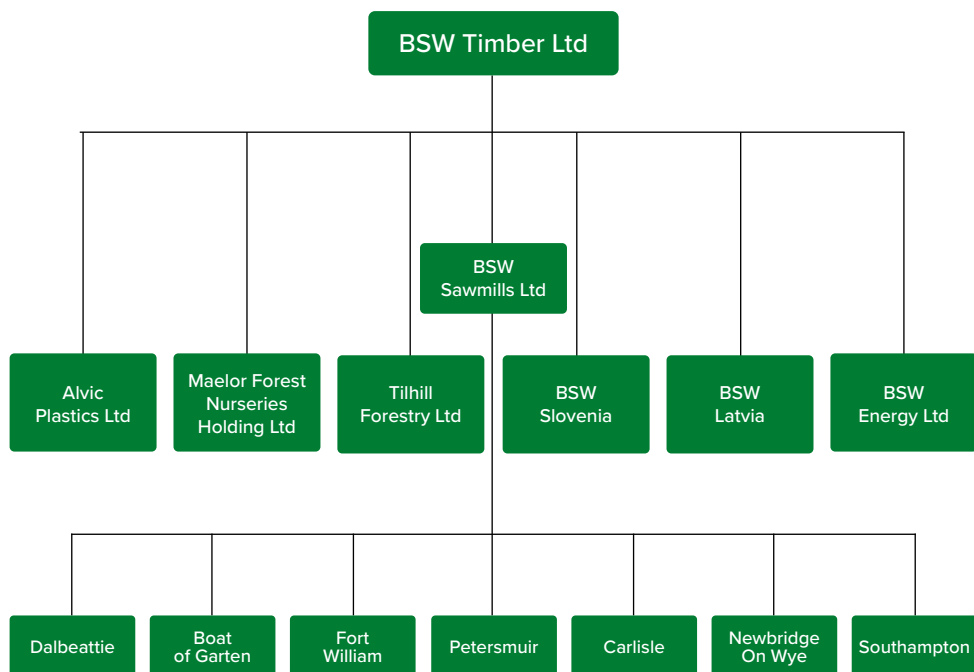
We recognise that it is through effective leadership and implementation of our policies and objectives that we will achieve our commitments and ensure everyone embraces this successful and sustainable journey.

**Tony Hackney
Chief Executive
August 2019**





OUR BUSINESS





SECTION 1

ORGANISATIONAL GOVERNANCE AND COMMUNICATIONS

1.1 SOCIAL RESPONSIBILITY

We recognise that effective governance and management of our Corporate Social Responsibility Policy's aims and commitments relies on embracing the Seven Principles Of Social Responsibility.

The Seven Principles of Social Responsibility

1. Accountability
2. Transparency
3. Ethical Behaviour
4. Respect for Stakeholders Interests
5. Respect for the Rule of the Law
6. Respect for International Norms of Behaviour
7. Respect for Human Rights

BSW Group is committed to high standards of ethical conduct and integrity in all our business activities. Our leadership team comprises of our Group Main Board and Operational Board, their primary concern is the governance of balance between economic goals and social responsibility commitments.

The leadership team sets strategy and year on year focus for the delivery of our Corporate Social Responsibility aims and commitments.

Strategy is informed by understanding the materiality of social responsibility issues to the Group and across its different companies and partnerships. Materiality is defined as those areas of significant concern to our stakeholders and those of high risk or opportunity for our business. Risks and opportunities are identified, and actions to mitigate or realise them are formulated and developed into objectives and action plans within each part of the business.

We have set out our aims and commitments against seven core subjects, with reference to the international standard for social responsibility (ISO 26000). These subjects are:

1. **Organisational Governance and Communications**
 - Our Business, its Stakeholders and Social Responsibility
 - Responsibilities and Organisation
 - Performance Monitoring
 - Reporting and Transparency
2. **Our Employees**
 - Employee Relations
 - Health, Safety and Well-being
 - Training and Development
3. **Our Customers and Clients**
 - Customer Satisfaction
4. **Our Environment**
 - Resource Efficiency and Sustainability
 - Climate Change and Resilience
 - Protecting the Environment, Biodiversity and Conservation
5. **Our Suppliers and Partners**
 - Fair Trading and Promoting Social Responsibility
 - Mutual Benefit and Building Confidence
6. **Our Communities**
 - Being Good Neighbours
 - Health and Well-being
 - Education and Employment
7. **Fair Operating Practice**
 - Ethical Conduct and Anti-corruption
 - Fair Competition and Engagement with Competitors
 - Responsible Political Involvement

1.2 OUR BUSINESS, ITS STAKEHOLDERS AND SOCIAL RESPONSIBILITY

We develop our policy and focus our objectives with consideration of materiality of the seven core subjects both for our business and our stakeholders.

Our methodology is to assess stakeholder concern alongside the impact on the BSW Group. All subject areas are of high materiality however we will focus our objectives on those of the highest stakeholder concern and the highest impact on BSW first.

1.3 RESPONSIBILITIES AND ORGANISATION

Group Main Board

Our BSW Group Main Board is accountable to our shareholders for high standards of corporate governance and ensuring a balance between economic goals and social responsibility is delivered across the Group.

All Operational Boards

Operational Boards across the Group are responsible for the provision of necessary resources to ensure the effective implementation of the Policy and are accountable to the Group Operational Board.

Directors, Executives and Managers

All Directors, executives and managers of the BSW Group including those working in its subsidiaries, joint ventures and partnerships are responsible

for embracing the seven principles, supporting the delivery of our aims and commitments and leading by example.

All Employees

All employees are expected to be aware of our aims and commitments and understand them within the context of their roles. They are responsible for complying with our Corporate Social Responsibility Policy and associated procedures and cooperating to deliver local objectives and targets. All employees are set incentivised personal objectives annually as part of a performance review to support the delivery of the business strategy.

Group CSR Committee

A CSR Committee at Group level chaired by a Group Operational Board member and made up of professionals across the disciplines of human resources, occupational health and safety, environmental management, communications and quality assurance supports the setting of objectives and targets across the Group and reporting on performance.

1.4 PERFORMANCE MONITORING

Implementation of our Policy is monitored by functional support teams across the Group and reviewed by the Group Operational Board through regular Dashboard Reports from across the business. Dashboard Reports provide an overview of performance to budget alongside safety, quality, environmental and business assurance performance trends, risks, highlights and opportunities.

Reports to the Group Operational Board highlight progress against the agreed objectives and actions. These reports support Corporate Responsibilities such as training and development of employees, charitable work, community engagement and volunteer work with best practice improvement groups.

Many parts of the business are certified to Internal and British management standards for areas supporting delivery of corporate social responsibility including OHSAS 18001 (transitioning to ISO45001 in 2020) (Occupational Health and Safety Management) ISO14001 (Environmental Management) and ISO9001 (Quality Management). The business is subject to regular external audits by UKAS and ASI accredited assessors.

External verification of our corporate social responsibility governance and performance is also completed by external stakeholders (main customers, insurance company etc.) and other interested parties.

1.5 REPORTING AND TRANSPARENCY

Dashboard Reports and performance, using a balanced scorecard approach, are cascaded down through the business from the board level through business unit management review meetings across the Group businesses.

Performance trends and local risks and opportunities are reported to key stakeholders including customers and suppliers through local bulletins, briefings and project management review meetings.

External reports on corporate project progress, together with successes and achievements fulfilling our social responsibility commitments are made through news and media via our main websites together with printed publications such as Tilhill Forestry's *The Leader* and BSW *Timber Times*.

BSW Group annual audited accounts are filed in a timeous manner at Companies House and made available to all stakeholders.

Annually the CSR Committee meet to review Group achievements, prepare a summary report on performance and advise the Group Operational Board on future focus and strategy.



SECTION 2

OUR EMPLOYEES

2.1 EMPLOYEE RELATIONS

BSW Group's people are its most important asset. How we motivate and develop our employees reflects our culture and business ethos. It determines our future success and sustainability as a business.

We aim to be an employer of choice where all employees feel valued, supported and informed.

We will strive to achieve a culture based on responsibility, excellence and respect which builds on the talent of our workforce. We are committed to eliminating any unfair or discriminatory practices. Our employees are given the opportunity to progress through merit without regard to their gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age or disability. We are committed to fair pay and benefits.

We will actively encourage employee participation at all levels in the workplace, in suggesting ideas, improvements and contributing to the development of our company. We will regularly reward our employees for their achievements and contributions.

We deliver these commitments through:

- Our Equal Opportunities and Dignity at Work Policy
- Performance Development Plans and incentivised personal objectives
- Consultation with employees through workshops and formal improvement and development review meetings.

2.2 SAFETY, HEALTH AND WELL-BEING AT WORK

The safety, health and well-being at work of BSW Group's people is imperative for our business and central to its success. Its performance is a key indicator of organisational excellence. We believe that all incidents and work-related health issues are preventable and that every person in the business has a part to play in delivering improvement. We continually seek to achieve improvement in risk prevention, reduction of loss and prevention of harm.

We aim to provide our employees with a safe and healthy environment ensuring everyone has the knowledge and ability to work safely.

We are committed to achieving the best standards of safety, health and wellbeing for our employees and for anyone affected by our activities or services. We have a robust health and safety management systems developed in accordance with the principles of OHSAS 18001, ISO45001 and HSG65.

We aim to conduct our business with the principle of beyond compliance and collaborate with others in our industry sector to share best practice.

Tilhill Forestry was a founder member of the Forestry Industry Safety Accord (FISA) and has regularly been recognised at the highest level in the RoSPA health and safety awards. We remain actively involved in supporting FISA's work to ensure collaboration across the industry, sharing of learning and continual improvement of health and safety management.

We are committed to constantly learning and improving working practices across the BSW Group.

We deliver these commitments through:

- Our Health and Safety Policies
- Developing the skills, expertise and competence of our people and ensuring effectiveness of training
- Proactively involving all employees in a programme of consultation on health and safety management issues
- Setting Key Performance Indicators and establishing specific objectives and actions for each business stream or facility with local responsibilities
- Professionally qualified health and safety professionals championing and advising on achievement of objectives and improvements
- Monitoring, measuring and communicating our performance at all levels and on a monthly basis to the Operating Board
- Working closely with our local authorities, SEPA/EA and the HSE.

2.3 TRAINING AND DEVELOPMENT

BSW Group has a wide range of experienced and highly skilled employees at all levels of the business. By investing in, and effectively managing, the training and development of our people, alongside mentoring and sharing knowledge to develop new recruits and embed competencies, we will ensure a sustainable business.

We aim to motivate our people to achieve the highest possible standards through training, education and communication.

We are committed to harnessing the skills and expertise of our people and improve learning and development throughout our business.

We believe that all employees have the potential to grow through developing work and personal skills. We endeavour to provide opportunities for this growth wherever possible.

We ensure we actively support new recruits and our existing staff through graduate training and apprenticeships and formal management development programmes.

We deliver these commitments through:

- Our award winning apprentice scheme
- Graduate and Management Development Programmes
- Forging strong relationships with approved and industry accredited training providers
- Building bespoke training options specifically for our business
- Monitoring training and skills development effectiveness
- Measuring competence levels through systems such as QCF and SQCF in Process Manufacturing Operations (PMO)
- Implementing improvements through annual performance and development plans at business stream and individual level.

SNAPSHOT OF OUR ACHIEVEMENTS



BSW Employee's Journey to be Wales Strongest Man

A BSW employee is in the running to be one of the strongest men in the country.

David Ramplee, who works at BSW Newbridge Mill, has competed in the Wales' Strongest Man contest for the last three years.



Tilhill Forestry's Pete Bowsher finishes second at BSW-sponsored Carve Carrbridge

BSW Timber has been channelling its artistic streak after donating 30 logs to a rather unique competition - and Tilhill Forestry's Pete Bowsher finished in second place for a second year running.



BSW apprentices showcase skills with school pergola build

Apprentices from BSW Timber's Fort William sawmill have been involved in the construction of a pergola project. The ten apprentices helped to construct a decorative pergola for Banavie Primary School.

FUTURE-PROOFING

Our focus for the coming three years is:

- Building on our Apprenticeship Scheme
- Gold Partners with Perennial for Well-being Services
- Introducing Mental Health First Aiders.



SECTION 3

OUR CUSTOMERS AND CLIENTS

3.1 CUSTOMER AND CLIENT ENGAGEMENT AND SATISFACTION

BSW Group aims to be proactive and exemplary in achieving excellent standards of quality in all our services and activities to the complete satisfaction of our customers and clients.

We strive to effectively engage with our customers and clients, understand their needs and objectives and provide the range of products, services and information to ensure we satisfy requirements.

We seek to inspire trust in our brands as well as helping our customers find affordable products. Our approach to marketing is to provide our stakeholders with concise and honest information.

We recognise the increasing requirements of providing customer and clients with transparency and information on environmental impacts and social issues. We externally report on our impacts providing necessary information, auditable trails and focused improvement objectives to address the sustainability agenda.

We deliver these commitments through:

- Operating management systems certified to ISO 9001 by UKAS accredited certification bodies
- Talking and listening to, and engaging with, our customers and clients and conducting satisfaction surveys post contract and at regular intervals depending on business stream
- Offering honest information, useful data and clear labelling in relation to our products and services
- Researching new opportunities for improved sustainability products and service delivery
- Researching, and supporting industry groups looking at improved services or sustainability of product or resource
- Seeking to work with customers and experts in their field on developing new opportunities in partnership with us.

SNAPSHOT OF OUR ACHIEVEMENTS



BSW attends Parliamentary Innovation Reception

Representatives from BSW's Marketing, Sales and Public Affairs departments have attended the House of Commons this week to promote BSW's role as a leading light in the British construction industry.

FUTURE-PROOFING

Our focus for the coming three years is:

- Expand knowledge on alternatives to Sitka spruce and other conifers to support forest resilience for our clients and customers
- Continue to develop new technology and products to meet customer needs
- Continue to support research into the genetic improvement of Sitka spruce and other conifers in order to ascertain the highest quality product for our clients and customers.



Sixth consecutive win for Tihill Forestry in Scotland's Finest Woods Awards

Stark Forestry is celebrating after winning the New Commercial Woodlands trophy in the Quality Timber Award category at the 2017 Scotland's Finest Woods Awards, which honour the outstanding contributions made by woodland to people, the environment and the economy.

The winning property, Jarrah, located in Strathnairn, Shetland is owned by Mr John Marks and managed by Tihill Forestry who were presented with the James Jamies Trophy by Jo O'Hara, Head of Forestry Commission Scotland.

Jarrah is the largest modern planting site in Scotland with 1.3 million trees having been planted in 2015. As well as providing a significant future timber crop, Jarrah was designed to deliver a range of public benefits, including encouraging biodiversity, reducing flood risk and enhancing public access.





SECTION 4

OUR ENVIRONMENT

4.1 RESOURCE EFFICIENCY AND SUSTAINABILITY

BSW Group takes its environmental and associated social responsibilities extremely seriously and is committed to sustainable business development.

BSW Group and the UK Forest Industry are world leaders in adopting strong, robust and sustainable forest management and round timber procurement policies. At the core of our business is the practice of sustainable forest management, timber procurement and timber supply. We manufacture FSC® Certified Timber Products in the UK.

The very nature of our business drives us to maximise timber production and use of materials in converting trees to logs and logs to sawn timber.

We aim to practise and promote sustainable forestry and timber production, to ensure resource efficiency and minimise waste.

We will manage timber resource in a sustainable manner and minimise waste from our activities. We will source our materials from well-established and managed sources.

We will support and promote the adoption of the United Kingdom Woodland Assurance Standard (UKWAS) and source our logs from responsibly managed forests. All publicly owned forests and an increasing proportion of private forests and woodlands operate to the UKWAS and are independently verified by either FSC or PEFC who promote environmentally appropriate, socially beneficial and economically viable management of the world's forests.

We will use appropriate technology and skills to gain the most value out of timber and logs. We will continually improve our material handling through innovation and improvement in technology in order to minimise waste and maximising recycling.

We will look to influence our clients and customers to improve resource efficiency and sustainability through specifications and planning.

We will ensure packaging and waste targets are set across our organisation to improve resource efficiency and improve waste management and recycling.

We will deliver these commitments through:

- Our Environmental and Waste Policies and certifications
- Continuous improvement targets for the percentage of UK timber sourced from certified forests
- Practising sustainable forestry management through compliance with the UK Forestry Standard and other industry guidelines, standards and best practice
- Investment in new technology and skills
- TTF Responsible Procurement Policy
- Environmental Product Declaration through Wood for Good
- Actively promoting the use of renewable and sustainable products and resources
- Actively encouraging our supply chain to adopt independently verified standards
- Resource efficiency planning and resource utilisation KPIs such as sawn yield
- Co-products management strategy
- Developing the skills and technical expertise of our employees
- Employing professionals and coordinators championing efficiencies and sustainable working practices
- Engaging with other industry experts to promote sustainable forest management.

4.2 CLIMATE CHANGE AND RESILIENCE

The Company controls and manages businesses along the supply chain from tree nursery, forest creation, management and harvesting through to sawmilling, manufacturing, biomass energy and timber building. Each link in the supply chain is supported by transport and logistics.

The key business objective is to manage the supply chain sustainably which requires efficient use of transport, continuously improving processing efficiency, effective management of energy consumption and the minimising of waste. Sustainable management also demands best practices in tree breeding, planting and ecosystems services in our forests, whilst ensuring resilience to pests and diseases.

Our aim is to eliminate emissions from our activities contributing to climate change and deliver forest resilience.

We will endeavour to employ best practice techniques to manage and control pollution from our sawmills and all other activities and work with environmental regulators to continually improve our practices.

We will look to invest in new technology to ensure energy efficient plant and machinery; fuel efficient vehicles and practise energy conservation and raise awareness of energy saving techniques.

We will proactively work within industry level research groups and suppliers in areas such as tree breeding for resistance to pests and resilience through tree planting mixtures. We will manage our forests to increase age diversity which supports resilience as well as providing for conservation of habitat for wildlife.

We will actively engage in industry level technical groups raising awareness of climate change issues and researching forest resilience.

We will deliver these commitments through:

- Our Environmental Policies and certifications
- Site energy management strategy
- Investment in new technology and skills
- Our Carbon Commitment Agreement
- Logistics in transportation and monitoring of effectiveness
- Use of site biomass for generation of heat for kilning and office heating
- Promotion of carbon credentials of timber through appropriate case studies
- Developing the skills and technical expertise of our employees particularly in the areas of forest resilience
- Championing energy efficiency initiatives.

4.3 PROTECTING OUR ENVIRONMENT, BIODIVERSITY AND CONSERVATION

BSW Group's activities promote the creation of new woodlands, restoration of ancient woodlands and the conservation and enhancement of biodiversity and archaeological features.

We aim to protect the environment against pollution and adverse impacts on biodiversity. We aim to enhance our environment and create positive impacts through our management practices.

We seek to continually learn and improve our processes for managing our environmental impacts.

We will be proactively engaged in industry level environmental groups, raising awareness of environmental responsibilities within the forestry industry and looking for new and innovative ways to improve our practices.

We deliver these commitments through:

- Practising sustainable forest management through compliance with the UK Forestry Standard and other industry guidelines and best practice
- Protecting and conserving biodiversity, landscape and cultural heritage through our forestry management practices
- Developing the skills and expertise of our people in these areas
- Employing specialist forestry ecologists to support our managers
- Engaging with industry working groups to continually improve through sharing expertise and best working practices.

SNAPSHOT OF OUR ACHIEVEMENTS



BSW donates logs for educational Greenpeace installation at Glastonbury

BSW Group has donated over 2,500 logs to the BEAM installation, a multi-sensory experience at this year's Glastonbury Festival which has been designed by award-winning artist Wolfgang Buttress.



BSW instrumental in development of £10m rural growth pledge

Ministers of the UK and Scottish Governments, and leaders of the five councils of the Borderlands Partnership, recently signed off Heads of Terms for the £394.5m Borderlands Inclusive Growth Deal, which includes proposed investment in rural development.



BSW promotes wellness in nature at RHS Chelsea Flower Show

BSW Timber, the UK's largest sawmilling business, showcased its new IRO range at last month's RHS Chelsea Flower Show by helping to promote wellness in nature as timber partners and sponsors of a collaborative installation called LAND.

A joint venture by Laura Slater and The Plant Room, LAND is an immersive installation and creative space that engages visitors with the importance of nature in creativity and wellbeing.

FUTURE-PROOFING

Our focus for the coming three years is:

- Introducing Diffuse Pollution Training for all our forestry contractors working with regulators and others to make this standard across the industry
- Environmental roles and responsibilities working across the industry to raise awareness of dutyholders, obligations and establishing clear protocols for protecting the environment.
- Improving plastic and waste management in the Forestry Sector.



SECTION 5

OUR SUPPLIERS AND PARTNERS

5.1 FAIR TRADING AND PROMOTING SOCIAL RESPONSIBILITY

BSW Group's business has an impact on the environment and lives of people all over the world. We adopt a fair and ethical approach in all our dealings, our people understand the responsibility of protecting and promoting the good name and reputation of the Group. We promote social responsibility and work with suppliers and partners who share similar aims and values.

We adopt a fair and ethical approach in all our dealings and aim to work only with suppliers and partners who share our aims and values and strive to increase standards and continually improve.

We strive to ensure that our people and those we externally trade and partner with understand the standards of business engagement expected and their responsibility for the reputation of the Group. Our people, suppliers, contractors and other partners are always expected to present themselves with the highest degree of integrity.

We are committed to raise awareness of social responsibility throughout our supply chain and work with suppliers on actions they can take to improve standards. We endeavour to fully assess our supply chain and partnerships to have the confidence that they meet our standards.

We are committed to working with them to reduce impacts and manage the challenges of truly sustainable business.

We will deliver these commitments through:

- Training and development of our employees with the highest level of integrity
- Our Code of Conduct for suppliers, including contractors and consultants working in partnership with us
- A sustainable procurement assessment and approval process
- Recognising third party accredited certification of suppliers
- Workshops and working groups with our suppliers, contractors and partners to share best practice and support techniques for improvement
- Rewarding our suppliers and contractors for excellent safety and environmental performance
- Establishing improvement action plans with suppliers where necessary.

5.2 MUTUAL BENEFIT AND BUILDING CONFIDENCE

BSW Group promotes working for mutual benefit within the culture of its organisation and through its dealing with its suppliers and business partners. Good business ensures that everyone in the supply chain benefits which positively contributes to efficiency and sustainable growth.

We aim to ensure mutual benefit and confidence in the value of doing business with us for our suppliers and partners.

We are committed to doing business in such a way as to ensure that everyone in our supply chain benefits from trading with us. We will work with our suppliers to build confidence and mutual recognition.

We are committed to high workplace standards, good health and safety management and fair pay and employment conditions. We recognise these as elements of a successful, professionally run business. We will work with our suppliers, contractors and partners to reduce impacts on the environment and manage the challenges of sustainable business growth.

We will deliver these commitments through:

- Our Code of Conduct
- Equal opportunities and Dignity at Work Policy
- Ensuring honest and clear trading agreements
- Promptly addressing concerns
- Good communications through regular meetings and workshops
- ESH Stand-down and insist on safety days
- Auditing key suppliers and sharing findings and learning points
- Consulting with key suppliers on developments in working practices or terms of business.

SNAPSHOT OF OUR ACHIEVEMENTS



BSW scheme helped ex-offenders back into employment

BSW Timber has partnered with Roderick James Architects (RJA) to complete a remarkable building project which saw ex-offenders put to work.



BSW attends Parliamentary Innovation Reception

Representatives from BSW's Marketing, Sales and Public Affairs departments have attended the House of Commons this week to promote BSW's role as a leading light in the British construction industry.



BSW helps transport Christmas tree from Latvia to FCO's Lancaster House

UK-LV relations were brought to the forefront of this year's Christmas celebrations at the Foreign & Commonwealth Office, Lancaster House, where a 13ft spruce tree was installed after being transported over 1,500 miles from Valka, Latvia.

FUTURE-PROOFING

Our focus for the coming three years is:

- Reviewing and updating our code of conduct for suppliers and contractors
- Working with suppliers and partners and through organisations such as Confor to strengthen the resilience of the supply chain.



SECTION 6

OUR COMMUNITIES

6.1 BEING GOOD NEIGHBOURS

BSW Group is a major employer in a sector operating in rural communities. We have the potential to impact on these communities in a positive way through local employment and business spending. However, we are conscious that our operations can also cause disruption of local infrastructure and disturbance to residents.

We aim to be good neighbours in our communities.

BSW Group will ensure environmental management plans mitigate nuisance to local residents and we will consult and work with the local communities to manage any disruption from our activities.

We work with local transport groups and our haulage providers to deliver solutions, taking into consideration regulatory requirements and local community concerns. We will consider logistics and transport management to reduce impact on local communities.

We work to consider alternative transport provision for raw materials and products to reduce our negative environmental impacts and be better neighbours.

We will deliver these commitments through:

- Our Health, Safety and Environmental Policies
- Site operating plans
- Working with local transport and other improvement groups.

6.2 HEALTH AND WELLBEING

BSW Group is privileged to operate on a number of sites in the UK and Europe and manage some of the most beautiful woodland and forests in our landscape.

BSW Group manages forests and woodland with public access and opportunity for provision of many outdoor activities. Forestry and woodlands in themselves support health and wellbeing for all those owning, living near them or visiting them, through providing recreational spaces to exercise or take time out.

We aim to develop and engage with our communities in the promotion of healthy living and well-being through sponsorship and supporting local events.

BSW Group is committed to engaging with the local community to raise awareness of the benefits of an active lifestyle.

We will work responsibly within our communities to promote and encourage opportunities for healthy living.

We will deliver these commitments through:

- Supporting local community projects and engaging with recreational stakeholders to improve access to forests and woodlands
- Sponsoring local events and community outdoor activity groups
- Encouraging employees to participate in local events and promoting the benefits of fitness and outdoor activity.

6.3 EDUCATION AND EMPLOYMENT

BSW Group is a major employer in the forestry sector and often within the local community. At an organisational level we suffer from a skills shortage and continuity of workforce. At an industry level the sector often suffers from misconceptions about commercial forestry.

We aim to raise awareness of the forestry sector, encouraging people to understand its importance in the wider context of the UK's economy and the contribution it can make to climate breakdown as well as consider it for employment.

We are committed to engaging with young people to educate, inform and encourage them to consider the benefits and opportunities within the forestry sector.

We will work with partners such as Forestry Land Use Scotland, Forestry England and Natural Resources Wales on initiatives to raise awareness of the forestry sector and its contribution to both the local and national economy.

We will employ our skills and knowledge to offer people guidance through volunteering and open days to see our industry at its best.

We are committed to providing opportunities for improving career pathways into the forest and wood processing industry.

We will deliver these commitments through:

- Open days, site tours and events which raise awareness and promote the benefits of our forests, woodlands and the timber industry
- Working closely with universities, colleges, schools and local communities to build pathways for learning and career motivation to attract future talent into the industry
- Sponsoring awards within colleges and universities for projects which benefit or raise awareness of the industry
- Providing work experience placements and apprenticeship schemes.

SNAPSHOT OF OUR ACHIEVEMENTS



BSW Fort William Backs Kids' Kits

BSW Timber is now the proud sponsor of the U14 Kilmalie Shinty team. The deal was brokered by Mill Manager Oliver Stephen, who said: "This is just another great way for us to give back to the community in Fort William. My son Jack (10) had his debut with Kilmalie this season and I'm happy to say he survived!"



BSW helps create sensory garden

Moor House School & College pupils have a new place to play after the school recently opened a new sensory garden and playground thanks to a generous donation of materials from BSW Timber.



BSW heads back to school for bandstand opening

BSW Timber has donated the materials to build a new playground gazebo for Earliston Primary School. Employees from both BSW Timber's Marketing and Accounts departments have headed back to school to unveil the new playground addition.

Known as 'The Bandstand', the project was co-ordinated by Earliston Community Development Trust and Earliston Community Council.

FUTURE-PROOFING

Our focus for the coming three years is:

- Hosting community events across England, Scotland and Wales
- Sponsoring local events within our communities
- Continuing to provide work experience placements within our businesses.



SECTION 7

FAIR OPERATING PRACTICE

7.1 ETHICAL CONDUCT AND ANTI-CORRUPTION

BSW Group sets high standards of ethics and identifies codes of conduct and expectations for its employees, suppliers and business partners.

We aim to treat all employees, business partners and other stakeholders honestly and fairly, without prejudice or discrimination.

We trust our employees behave honestly, without prejudice and practice integrity in every aspect of their work whether dealing with colleagues, customers, suppliers, local communities or government authorities and regulators.

Suppliers and other business partners will be made aware of our ethics and expectations of working relationships with them through communication of our policies and procedures at initial engagement or inception of the contractual relationship.

Bribery, gifts and other kinds of reimbursement given or received, which may affect or appear to affect objectivity, is unacceptable and is forbidden.

All staff are required to declare potential conflicts of interest which may arise from conducting their normal business duties. When such conflicts are likely to arise appropriate alternative arrangements will be made.

We deliver these commitments through:

- Our Code of Conduct
- Our Equal Opportunities and Dignity at Work Policy
- Our Bribery Prevention Policy
- Induction, training, development and mentoring of our staff, suppliers and contractors
- Leadership at top management level.

7.2 FAIR COMPETITION AND ENGAGEMENT WITH COMPETITORS

BSW Group has a leadership role within a local, national and international context and ensures full participation in trade bodies and industry initiatives.

We aim to participate alongside competitors in open debates to show leadership in business integrity and probity alongside protecting the best interests of our industry and business.

We are a major player in our sector and will participate fully in trade associations and bodies. Employees will be encouraged and supported in their involvement in sector initiatives where common goals are critical in areas such as research, occupational health and safety improvements and development of product and service standards.

We recognise involvement in sector initiatives provide opportunities for setting benchmarks and ensuring fair competition is not undermined by poor working practices. We will be open to visits from competitors to encourage sharing of best practice and reciprocal learning for all. We will ensure employees do not engage in anti-competitive behaviour.

We deliver these commitments through:

- Our Code of Conduct
- Corporate memberships of associations (CONFOR, FISA, BALI)
- Individual professional memberships and active involvement in these bodies (ICF, IOSH, MIEMA, RICS, MIEEM, CIPR)
- Hosted visits and open days across our sawmills and managed forestry properties
- Leadership at top management level.

7.3 RESPONSIBLE POLITICAL INVOLVEMENT

BSW Group is a responsible business with a local and national impact. Engagement with politicians is therefore inevitable. We take a proactive approach in our involvement with developing policy and legislation.

We aim to be responsible and proactively involved in policy consultation and development to manage threats and realise opportunities for the sustainability of our business.

We will ensure objectivity in all our political involvement, act responsibly and engage constructively where policy and legislation has the ability to impact on our business.

We will endeavour to be insightful and focused in our involvement to ensure the best possible result for all affected.

We will deal with politicians of all parties with respect and while we may have robust debates for the purposes of ensuring we look after the best interests of our stakeholders, we will at no time show favour to one party or another.

We deliver these commitments through:

- Our Public Affairs Strategy
- Our appointment of an impartial political advisor to monitor and support engagement
- Publishing our occasional business briefing to stakeholders
- Registration with Scottish Parliament Lobby Register.

SNAPSHOT OF OUR ACHIEVEMENTS

- Working with industry bodies such as FISA / CONFOR / FIEG
- Hosted days for partners / competitors / customers
- Full review and reissue of our policies supporting fair operating practices
- Bribery prevention
- Equal opportunity and dignity at work
- Whistle blowing.



BSW Southampton Lands BM TRADA Certificate

BSW Timber Southampton has recently been awarded a much-coveted BM Trada certificate. Following on from a recent, successful external ISO9001:2015 Quality Management System audit on the 21st March 2019, the mill has now joined the ranks alongside BSW Timber's other 6 UK based sites in holding the certificate. Mill Manager, John Simillie, said: "I'm happy to announce that the recent audit went well, and we've now received our new certificate from BM Trada with Southampton included."



BSW scores 3 Trees in WWF's Timber Scorecard 2019

BSW Timber have been awarded the maximum rating of 3 Trees in WWF's 2019 Timber Scorecard.

The award highlights the important environmental steps the company is taking with regard to the sustainability of its timber.



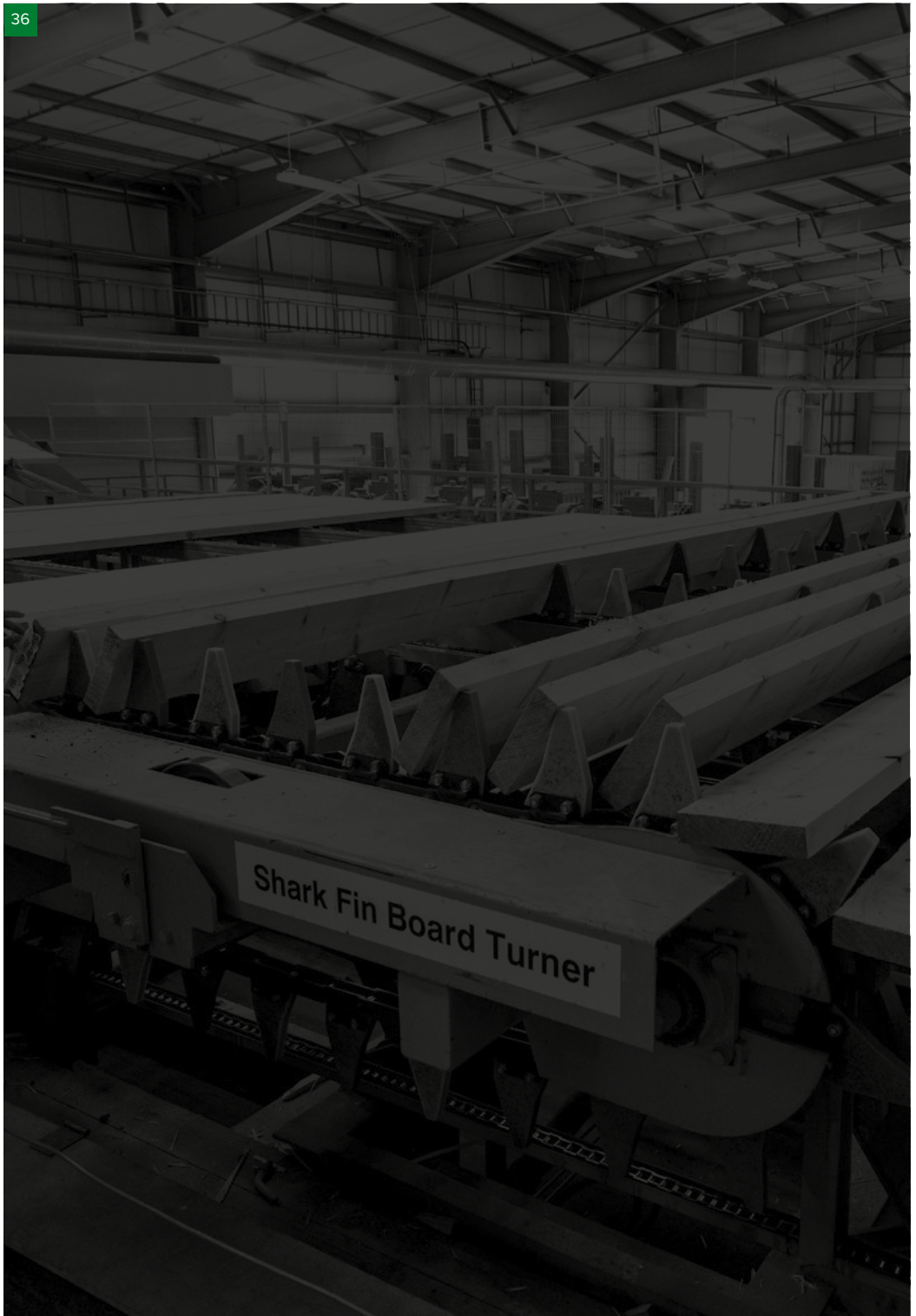
MSP supports BSW apprentice scheme at Dalbeattie

Finlay Carson MSP visited BSW Timber's Dalbeattie based sawmill on Friday 8th March as part of the National Apprentice Week campaign. Mr Carson was joined by Lynne Lambie, Relationship Account Executive from Skills Development Scotland.

FUTURE-PROOFING

Our focus for the coming three years is:

- Facilitating dialogue between industry and government for a sustainable built environment through Timber Trade Federation (TTF) and Confederation of Timber Industries (CTI)
- Performance monitoring of revised policies
- Benchmarking against others in the industry
- Continued involvement with industry trade bodies such as Confor and TTF.



Reference:

ISO 26000:2010

The seven core subjects of social responsibility as defined in ISO 26000:2010 are:

1. Organisational Governance
2. Human Rights
3. Labour Practices
4. The Environment
5. Fair Operating Practices
6. Consumer Issues
7. Community Involvement and Development

BSW has aligned these subjects to its business and sets out its social responsibility aims and commitments to against the themes within this policy:

1. Organisational Governance and Communications
 2. Our Employees
 3. Our Environment
 4. Our Client and Customers
 5. Our Suppliers, Contractors and Partners
 6. Our Community
 7. Fair Operating Practice
-

NOTES



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