



**BSW
GROUP**

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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 financial 12-month period 1st October 2020 to 30th September 2021.

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

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-COC-004821 FSC-C023225).

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 are reducing and rationalising our supplier base which enables us to have fewer and stronger supplier partnerships, which in turn enables us to have a greater knowledge 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 ISO 9001. 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 which includes: -

- Whistle Blowing Policy
- Bribery Prevention 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

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 processes, policies, and procedures. We assess using a risk-based approach considering factors including geographical risk pertaining to human rights, as well as the level of supply chain controls.

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 we 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. At the same time, 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 of our business partners and control ensure enhanced supplier standards.

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 March 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.

Additional training and engagement activities are currently being developed and 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 12 months to September 2021, 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, Gang Masters Licensing Authority
- Remediation for affected workers or those at risk should any instances be identified

Further Steps to prevent modern slavery in our business and supply chain during 2022: -

- 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 with in 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: 21st March 2022

BSW Group: Legal Structure 2021

