



Modern Slavery Statement

This statement is made pursuant to section 54 Part 6 of the Modern slavery Act 2015. It relates to actions and activities from February 2019 to February 2020, and outlines SCA's future plans to ensure awareness of modern slavery issues are well communicated throughout our business.

This statement sets out SCA's actions to understand all potential modern slavery risks related to our business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in our own business or within our supply chain.

SCA Wood UK Limited (SCA) operates under the guide lines set out under SCA Global Supplier Standard 2019.

As part of the timber industry, SCA recognises that we have a responsibility to take a robust approach to mitigating and identifying forced labour and human trafficking. SCA is committed to ensuring that our supply chain is free from slavery and human trafficking.

Our approach includes a commitment to uphold and communicate our values and standards at our workplace, in our operations and with our business partners.

Organisational structure and supply chains

Our supply chain structure is 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 SCA 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 SCA.

All our business partners, including suppliers, distributors, consultants and independent contractors are expected to adopt the ethical business standards and values set out in SCA's Code of Conduct as expressed in this Supplier Standard, and to actively communicate such standards when dealing with their own suppliers.

It is 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 SCA with adequate details of the supply chain for the goods supplied to SCA.

Suppliers shall take measures to ensure they do not engage in or support the use of forced or bonded labour. This includes all forms of human trafficking and working against one's own will or choice. No employee shall be required to lodge deposits or identity papers when commencing employment. It is our intention in 2020 to explore Sedex Members Ethical Trade Audit (SMETA) via SEDEX® with key suppliers, and continue to work and develop our approved supplier selection process.

Child Labour

SCA does not tolerate child labour in our own facilities or the operations of any business partners. We will comply with applicable national laws and applicable international standards on minimum wage wherever we have an interest.



Suppliers should work actively to prevent all forms of child labour or exploitation in their sphere of influence. They shall always strictly follow legal requirements as well as ILO convention No. 138 on the minimum age for work. If a child is found at the workplace the supplier shall consider its next course of action with what is best for the child in mind.

Relevant activity

SCA undertook variety of activities during 2019 to educate and inform our partners and employees, and to verify the absence of forced labour, slavery and human trafficking in our supply chain. Activities included:

- Senior Management training on Modern Slavery in the Workplace, how to spot the signs and what to do if they believed slavery was taking place.
- Full audit of our two main recruitment suppliers in Stoke-on-Trent and Hull.
- Clearer HR process to follow if employee raised concerns about slavery within SCA or within our supply chain, including updating our Incident Reporting Policy.
- Code of Conduct table discussions with employees throughout the business to highlight the culture of caring for others and raising concerns with management on any activities which appear suspicious or concerning to the individual.
- Supplier visits and audits across the UK, Europe and Asia.
- Verification and risk assessment of SCA's major suppliers, evaluating risk as part of the global sourcing strategy.

During 2020, it is SCA's intention to focus on the following activities:

- Full Audit approval will take place by trained managers or approved third party companies, with relevant recommendations and actions fulfilled before approval to supply is achieved.
- Verification and risk assessments of our suppliers will continue throughout 2020, to ensure all risks are considered including financial, geopolitical, environment, legal, corporate social responsibility, intellectual property and market/supply.
- SCA will continue to encourage all their workers, customers and other business partners to report any concerns related to modern slavery, in line with SCA's Whistleblowing Policy. Employees, customers or others who have concerns are encouraged to discuss any concerns with key Supply Chain Management or the HR function.
- SCA's Code of Conduct e-learning training will implemented during the first half of 2020. The code outlines the behaviours and actions expected of an SCA employee. Employee's of SCA are expected to have high standards of conduct and ethical behaviour when carrying out their role and additionally are actively encouraged to speak up and discuss any concerns with their management or their peers.
- Education and training with all employees within SCA, including new starters who join our SCA.
- Continuous monitoring and auditing of SCA's recruitment suppliers. There are two main suppliers of temporary workers and a minimal number of suppliers of permanent workers. It is SCA's aim to audit the permanent suppliers of recruitment specifically reviewing their processes and practices of hiring employees, how they pay them, their contract with the agency, their policies and procedures (health and safety, disciplinary, grievance, GDPR) and their modern slavery policies.

Due diligence

SCA undertakes due diligence when considering new suppliers, and regularly reviews and audits its existing suppliers. The organisation's due diligence and reviews include:

- Where possible we will use suppliers with an industry quality accreditation.
- Broadly mapping the supply chain to assess particular product or geographical risks of modern slavery and human trafficking.
- Evaluating the modern slavery and human trafficking risks of each new supplier.
- Where possible, build long standing relationships with local suppliers and make clear our expectations regarding business behaviour.
- Before placing any business with a potential supplier, we conduct supplier audits which include discussions on slavery and human trafficking where general risks are identified.
- Taking steps to improve substandard suppliers' practices, including providing advice to suppliers and requiring them to implement action plans if considered necessary.
- Removing suppliers who fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct.

Measuring effectiveness

SCA continues to have a zero tolerance to slavery. In 2020, it is our aim to:

- conduct bi annual visits to suppliers (wood / wood based products)
- carry out annual visits to recruitment suppliers
- ensure refresher training on the Code of Conduct and Anti Bribery for all employees.
- ensure modern slavery awareness training is provided to all employees.

Our focus on modern slavery is part of a larger effort to encourage supply chain transparency and accountability. We will not tolerate force, bonded (including debt bondage) or indenture labour, involuntary prison labour, slavery or trafficking of persons by any SCA supplier or for any other purpose.

This statement has been approved by SCA's Supply Chain and Procurement Director, who will review and update it annually.

Bruce McKay
Supply Chain Director
SCA WOOD UK LTD.

3rd February 2020