

Slavery and Human Trafficking Statement

Respecting Human Rights

This statement sets out SCA Timber Supply's actions to understand all potential modern slavery risks related 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 or within its supply chain.

SCA Timber UK Limited (SCA) operates under the guide lines set out under SCA Global Supplier Standard 2016.

This statement is made pursuant to section 54 Part 6 of the Modern slavery Act 2015. It relates to actions and activities during the financial year 1 January 2016 to 31 December 2016, and details our strategy in this respect.

As part of the timber industry, SCA recognise that we have a responsibility to take a robust approach to mitigating forced labour and human trafficking. SCA is committed to ensuring that its 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 towards our business partners.

Organisational structure and supply chains

Our supply chain structure can at its most complicated involve multiple levels of suppliers, with product moving from one external source through others to a finished good or a very simple supplier relationship where we are purchasing an item for onward sale to our customer. The wide range, breadth and depth of the supply chain make it challenging to effectively manage the 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.

Suppliers shall 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 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 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 labor. 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.

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 undertakes a variety of actions to verify the absence of forced labour, slavery and human trafficking in our supply chain, including the following:

- **Full Audit approval**
All suppliers are subject to full Supplier Standards Audit. These are carried out by trained in house managers or approved third party companies. Recommendations and actions must be fulfilled before approval to supply is achieved.
- **Verification and risk assessment**
Annually SCA's major suppliers are evaluated from a risk perspective as a part of our sourcing strategy. Among the risks considered are Financial, Geopolitical, Environmental, Legal, Corporate Social Responsibility, Intellectual Property and Market / Supply.
- **Whistleblowing policy**
SCA encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Employees, customers or others who have concerns are encouraged to discuss any concerns with Key Supply Chain Managers or HR personnel.
- **Employee code of conduct**
SCA's code makes it clear to employees the actions and behaviour expected of them when representing the organisation. The organisation strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.
- **Procurement code of conduct**
SCA is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour.

SCA will work with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions.

However, serious violations of the organisation's supplier code of conduct will lead to the termination of the business relationship.

- **Recruitment Policy**

SCA uses 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.

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:

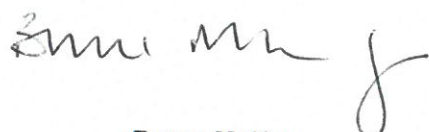
- Where ever possible we will use suppliers with an industry quality accreditation
- Broadly mapping the supply chain to assess particular product or geographical risks of modern slavery and human trafficking
- evaluating the modern slavery and human trafficking risks of each new supplier
- where ever possible we 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

Training

SCA have a zero tolerance to slavery and human trafficking. All relevant staff members will be provided with adequate training to ensure that there is a high level of awareness of the risks of modern day slavery and human trafficking in our supply chains and within our business. All SCA supply chain management professionals are trained on the SCA Code of Conduct through a variety of training approaches from in-person workshops to on line modules.

Our focus on slavery and human trafficking 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 the organisation's Managing Director, who will review and update it annually.



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SCA TIMBER SUPPLY UK LTD.



John Griffiths
Managing Director
SCA TIMBER SUPPLY UK LTD.