

## Modern Slavery Transparency Statement 2019

### Overview

This statement has been produced in accordance with section 54 of the Modern Slavery Act 2015 and constitutes our Modern Slavery Transparency Statement for the financial year ending 31 March 2019.

The statement covers Arbor Forest Products Limited (“Company”).

The Company (who’s most recent financial year ended on 31 March 2019), wherever it operates, is committed to conducting business with honesty and integrity; in treating all people with dignity and respect and in complying with applicable laws, regulations and treaties. The Company is also committed to protecting and promoting human rights globally. The Company does not tolerate child labour, forced labour, including prison labour, or any use of force or other forms of coercion, fraud, deception, abuse of power or other means to achieve control over another person for the purpose of exploitation.

This statement sets out the Company’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 and its supply chains.

As part of, and supplying to, the construction industry, the organisation recognises that it has a responsibility to take a robust approach to slavery and human trafficking. The organisation 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.

The Board of Directors has the overall responsibility for ensuring this policy and disclosure statement and its implementation comply with legal and ethical obligations. Managers at all levels are responsible for ensuring those reporting to them understand and comply with this policy and disclosure statement and are given adequate and regular training.

### Structure and Supply Chain

The Company from its site in New Holland, imports and adds value to timber products for supply into the construction industry.

With regards to supply chain and its compliance with Modern Slavery, this can be split into timber supply which accounts for the vast majority of the Company’s purchases and other suppliers.

#### Timber Suppliers

As a signatory to the Timber Trade Federations (TTF) Responsible Purchasing Policy (RPP) Due Diligence process, we assess suppliers for evidence of legality and sustainable forest management and are subject to an annual independent third party audit.

We perform due diligence and risk assessments on all suppliers and seek the clearest practicable information regarding the sources of raw materials. We also recognise that the independent certification of the forests and the process chain is the best means of providing assurance that timber comes from legal and well-managed forests and we will purchase certified material wherever possible. In order to achieve certification a company completes a self-assessment declaration that they do not take part in activities which would fall under the Modern Slavery Act in line with the violation of any of the ILO (International Labour Organisation) Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

Chain of Custody (CoC) procedures have been implemented to ensure these materials meet the Government and C.P.E.T. (Central Point of Expertise in Timber) policy and guidelines on sustainable forest management practices are obtained from legal and sustainable forest sources. As part of this system it is our policy to ensure compliance with the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) standards.

In line with both the FSC and PEFC Chain of Custody ‘standard’ requirements, the Company has appointed a management representative as the CoC Scheme Manager, who has overall responsibility and authority for the organisation’s conformity to all applicable certification requirements. An annual internal audit of all Company sites is completed, along with an Annual Volume Summaries Report and an annual Management Review.

#### Other suppliers

For key suppliers, a supplier code of conduct includes statements in relation to six areas directly relating to the modern slavery act as follows: child labour; slavery, forced and bonded or involuntary labour; human trafficking; health and safety hazards; working hours; and business ethics.

In addition to the above the company monitors and evaluates its supply chain based as follows:

- Evaluating the modern slavery and human trafficking risks of each new supplier based on geographical location and reputation of the country the product(s) are manufactured in.
- Conducting supplier audits or assessments which have a greater degree of focus on slavery and human trafficking where general risks are identified.
- Invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship.

## Relevant policies

The Company operates the following policies that describe its approach to the identification of modern slavery and human trafficking risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Supplier Code of Conduct:** The Company is committed to ensuring that its suppliers adhere to the highest standards of ethical behaviour. 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. The Company works 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.
- **Corporate Social Responsibility and Responsible Sourcing policies:** The Company operates well engrained CSR and Sourcing policies which will run in conjunction with the Modern Slavery Policy and Disclosure Statement.
- **Employee Code of Conduct:** The Company code makes clear to employees the actions and behaviour expected of them when representing the organisation. The Company strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.
- **Whistleblowing Policy:** The Company is committed to conducting its business with honesty and integrity, and it expects all staff to maintain high standards. However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential in order to prevent such situations occurring and to address them when they do occur.
- **Recruitment/Agency Workers Policy:** The organisation 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 and risk assessment

As mentioned above, the Company operates due diligence processes on all new key suppliers. This includes a self-assessment declaration that they do not take part in activities which would fall under the Modern Slavery Act in line with the violation of any of the ILO (International Labour Organisation) Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

The Company will also risk assess potential suppliers based on:

- geographical location and reputation of the country the product(s) are manufactured in;
- using ethical supplier databases where suppliers can be checked for their labour standards, compliance in general, and modern slavery and human trafficking in particular where possible;
- Conducting supplier audits or assessments which have a greater degree of focus on slavery and human trafficking where general risks are identified.

Where suppliers seriously violate our supplier code of conduct the Company will invoke sanctions against suppliers, including the termination of the business relationship.

## Measuring effectiveness

Maintaining chain of custody and ensuring all timber suppliers are also within compliance with CoC procedures ensures effectiveness of the policy with regards Timber and Sheet Materials suppliers.

## Training for staff

All Senior Management, Buying and HR staff received training on Modern Slavery. Refresher training on modern slavery and human trafficking is provided to relevant staff.