

## INTRODUCTION

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that Balcas has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

This statement sets out Balcas' 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. This statement relates to actions and activities during the calendar year 2021.

We recognise that we have a responsibility to take a robust approach to slavery and human trafficking and we continue to take our responsibility very seriously during the coronavirus pandemic.

Balcas has a zero tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

## OUR BUSINESS AND SUPPLY CHAINS

Balcas is one of Britain's and Ireland's largest wood products suppliers, with operations across several sites; a sawmill in Enniskillen, CHP Plants in Enniskillen and Scotland and Distribution Centres throughout the UK.

Balcas' extensive product portfolio includes construction, fencing, pallet and packaging timber products and high-density wood pellets. Balcas' wood pellets have been branded Balcas Energy wood pellets. Balcas Energy wood pellets are a renewable heat fuel. Our products are available to markets in Ireland and Great Britain.

Our supply chain network covers the products we sell, the transportation and delivery of such products and our day-to-day operations. Our raw materials are sourced from sustainably well managed forests in Northern Ireland, the Republic of Ireland and Scotland in accordance with the European and United Kingdom Timber Regulations.

## RESPONSIBILITY

The Balcas Management Team has overall responsibility for this policy and in ensuring that the company complies with its legal obligations.

All managers have the day-to-day responsibility for the implementation of this policy, monitoring its use and ensuring that the appropriate processes and control systems are in place, and amended as appropriate, to ensure it can operate effectively.

## OUR POLICIES

We operate a number of internal policies to ensure that we are conducting business in an ethical and transparent manner. These include:

1. Procurement Policy
2. Supplier Code of Conduct
3. Anti-Bribery and Corruption Policy
4. Equal Opportunities Policy
5. Whistleblowing Policy
6. Grievance Policy

## DUE DILIGENCE

In order to recognise and manage risks involved when engaging with third parties, Balcas implement a Third-Party Due Diligence process. The due diligence process is relevant for new third parties and for third parties Balcas already has an active business relationship with.

The due diligence process is intended to assist Balcas in preventing, detecting and responding to Third-Party risks. During the performance of due diligence activities, we will gather information about the third parties we (want to) have a business relationship with. Third Parties are checked for their labour standards, compliance in general, and modern slavery and human trafficking.

By performing Third-Party Due Diligence, we obtain enough knowledge on the risks of doing business with relevant Third Parties and can make an informed decision.

Third Party Due Diligence activities consist of three components.

1. Pre-screening of new third parties
2. Enhanced due diligence on certain party types
3. Quarterly Screening batch screening of existing third parties

Our timber procurement process assesses all timber suppliers as part of the evaluation of wood harvested in violation of traditional and civil rights and includes violation of any ILO Core conventions, as defined in ILO Declaration on Fundamental Principles and Rights at Work, 1998. The four categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

The aim of these activities is to make an informed decision about the Third Parties that we work with and where necessary to implement mitigating measures.

### ***Code of Conduct***

Balcas are committed to ensuring that its third parties adhere to the highest standards of ethics.

We have a Code of Conduct Agreement for all third parties in which third parties agree to:

- a. Respect the rights of their employees and treat them fairly, in accordance with all applicable laws.
- b. Provide fair treatment to their employees and create a work environment free from mental or physical coercion, including workplace, sexual, psychological, racial, or religious harassment.
- c. Not discriminate against employees based on race, colour, national origin, religion, gender, disability, sexual orientation or political opinion.
- d. Provide their employees' with wages and benefits that meet the minimum required amount by applicable laws/regulations and comply with all applicable laws on work hours and overtime.
- e. Be inclusive and ensure that their employees and other stakeholders are always treated with dignity and respect.
- f. Respect freedom of association of their employees and not to retaliate or discriminate against any person in their work force choosing to exercise their right to do so.
- g. Not engage in or support child labour practices, as well as forced or involuntary labour, including indentured labour, bonded labour or slave labour.

### **PERFORMANCE REVIEW**

Balcas continually monitor and audit the following to ensure the effectiveness of the measures we have in place:

- a) Our Due Diligence Systems Performance
- b) Our Supply Chains
- c) Successful Employee training completion rates
- d) Our Policies

## TRAINING

Balcas requires Supervisors, Managers and HR professionals within the organisation to complete training on modern day slavery.

The organisation's modern day slavery training:

- Highlights the issue of modern slavery and employees role in its prevention.
- Describes types of modern slavery and who it affects.
- Considers the new additions to slavery legislation outlined in the Modern Slavery Act.
- Describes how to recognise and report instances of modern slavery.

### *Awareness-programme*

As well as training staff, we will continue to raise awareness of modern slavery issues by putting up posters across our premises, putting information on our internal screens and circulating emails to staff.

The communications explain to staff:

- the basic principles of the Modern Slavery Act 2015;
- how employers can identify and prevent slavery and human trafficking;
- what employees can do to flag up potential slavery or human trafficking issues to the relevant parties within our organisation; and
- what external help is available, *e.g. the Modern Slavery Helpline.*

## BOARD/MEMBER APPROVAL

This statement has been approved by our Board of Directors.

Chief Executive Officer's Name

Brian Murphy

Date:

6th April 2021