

SCHOUW&CO

Schouw & Co.

UK Modern Slavery Act Statement 2022

This statement is published by the Schouw & Co. Group pursuant to Section 54 of the UK Modern Slavery Act 2015 and applies to all the Group's wholly owned portfolio companies and subsidiaries for the financial year 2022.

Modern Slavery and human trafficking statement 2022

This statement is published by the Schouw & Co. Group (the “Group”) pursuant to Section 54 of the UK Modern Slavery Act 2015 and applies to all the Group’s wholly owned portfolio companies and subsidiaries. The Group has commercial activities in the UK and an annual turnover of more than GBP 36m.

This statement was approved by the Group Executive Management.

Business structure and supply chains

The Group is an industrial conglomerate with diversified activities across various business sectors and locations around the world. The Group generates most of its revenue from automated or advanced production processes, in which the Group’s businesses turn sourced raw materials into products that are resold to customers who then manufacture end products. The remaining revenue primarily derives from technical trading and processing operations, in which the Group’s businesses handle or process sourced components before reselling them to OEM customers. Most of our activities are located in Europe, but the Group also has considerable operations in non-European countries, mainly in Thailand, Sri Lanka, Malaysia, and Chile.

The supply chains of the Group include the following:

- production processes of raw materials including marine and vegetable materials
- processing operations for sourced components
- contract manufacturing agreements
- distribution arrangements.

Through the individual businesses’ work with their own supply chains, they all have substantial monitoring and compliance controls with respect to our raw material suppliers.

Policies on human rights

The Group is committed to address potential risk of adverse human rights impacts. At group level this is reflected in our Policy on Corporate Responsibility and more specifically our Human Rights Policy in our Guidelines. This policy sets out general guidelines for all our portfolio companies to adhere to. The general content of our policy stipulates that we as a Group support and respect the protection of internationally proclaimed human rights as set out in the UN Universal Declaration of Human Rights and the declarations and recommendations of the ILO and specifies the themes which we focus on, including among others; prohibition of forced, bonded or compulsory labour, child labour, general focus on health & safety at work and freedom of association and bargaining.

We expect our portfolio companies to understand and adhere to our policy and to take appropriate actions if expectations are not being met.

Whistleblower system

All Group companies are covered by an externally hosted whistleblower system, where employees, business partners and others have access to report on any concerns or incidents in relation to potential adverse impact in human rights including modern slavery, human trafficking, or other concerns in a secure and confidential way.

Due diligence and risk management

We have performed a general assessment of the primary risks affecting the Group in relation to human rights. Extending on this, it is the responsibility of our portfolio companies to carry out the general due diligence in terms of adverse impacts on human rights. The portfolio companies' own operations are generally of high standard in terms of quality and occupational health and safety, and several of our sites across the world are certified according to international standards. The risk of modern slavery in our own operations is therefore considered low.

Our general human rights risk assessment has showed that our global supply chains are characterised by production of raw materials and processing operations of sourced components which can cause risks in terms of human rights violations including slavery and human trafficking. To address this, all our portfolio companies have substantial compliance procedures in place. All our portfolio companies have a Code of Conduct that requires suppliers to uphold and respect international human rights including non-tolerance of bonded or forced labour. The companies also have due diligence processes that typically includes self-assessment, regularly risk assessments as well as audit schemes to address any potential risks in their supply chains.

Reporting

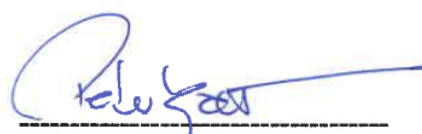
As part of our annual ESG reporting, the Group has started to measure the efforts in responsible supply chain management. In 2022, in all of our portfolio companies, suppliers covering more than 60% of our spend have confirmed compliance with our Code of Conduct, and in four out of our six portfolio companies, more than 80% of spend are covered by Code of Conducts.

Plans for 2023

In 2023 much work will be done in relation to the preparation for the CSRD and the ESRS. This includes human rights focused work. We will prepare to document more thoroughly our due diligence processes and describing our work with assessing human rights issues. We have also planned group wide training on the basics of human rights impact assessment and will continue this work well into 2024 as well. For more detailed information on the individual company actions on supply chain responsibility and human rights due diligence please see our annual ESG Report at <https://www.schouw.dk/en/about-us/corporate-governance/>.



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