

SCHOUW&CO



Schouw & Co.

UK Modern Slavery Act Statement 2023

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 2023.

Modern Slavery and human trafficking statement 2023

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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 sold 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 raw material suppliers.

Policies on human rights

The Group is committed to addressing potential risks 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 businesses 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 relating 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. Elaborating on this, it is the responsibility of our portfolio companies to carry out the general due diligence and impact assessment in terms of adverse impacts on human rights. The portfolio companies' own operations are generally of a 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 include self-assessment, regular 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 2023, in all of our portfolio companies, suppliers covering more than 65% of their spend have confirmed compliance with their 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 2024

In 2024, much of the work continues to relate to preparation for the CSRD and ESRS. In addition to this, work with human rights has intensified, where Schouw & Co. has initiated a structured due diligence process at Group level. The results of the impact assessment will constitute the baseline for future work with human rights due diligence, which will continue into 2025, and for the upcoming Corporate Sustainability Due Diligence Directive (CSDDD). Upon completion of the impact assessment, our processes and work on assessing human rights will be documented more thoroughly.

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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