



Tradelink

WOOD PRODUCTS LTD

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Modern slavery and human trafficking statement 2020

This statement can be found on the home page of our website, www.tradelink-group.com

Introduction

Section 54 of the UK Modern Slavery Act imposes a legal obligation on commercial organisations to publish an annual slavery and human trafficking statement.

This statement sets out the Tradelink Group ('Tradelink') actions and steps it has taken to understand and address any identified modern slavery and human trafficking risks related to its business operations and supply chains. This statement relates to actions and activities during the **2019** financial year (1 January 2019-31st December 2019).

As part of the global timber sector, where instances of modern slavery have been identified and published by the media and NGOs, Tradelink recognises that it has a responsibility to take a robust approach to addressing modern slavery and human trafficking risks.

Tradelink is 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.

Company structure and ownership

Tradelink Group is a multinational business, specialising in procuring, machining, shipping and marketing hardwoods. The main operating company is Tradelink Wood Products Limited in the UK. All the subsidiary companies in the Group [Tradelink Madeiras Ltda; Tradelink Wood Products Inc; Tradelink Wood Products (Pty) Ltd.; Tradelink Wood Products Pte. Ltd; Woodtrend Ltd] are owned 100% and the consolidated audited accounts represent all the activities of the Tradelink Group.

- There is a transparent ownership and control structure and no trading above Tradelink Wood Products Limited (UK). (i.e. no profits in low tax jurisdictions).

Governance

The development, annual review and oversight of our policies and procedures in relation to anti-slavery initiatives is the responsibility of the Group Compliance Officer and approved by the board of directors.

Our employees have been orientated during their training on the benefits of developing stringent measures to tackle slavery and human trafficking, as well as the consequences of failing to eradicate slavery and human trafficking from our business and supply chains.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Company's Slavery and Human Trafficking statement 2020.

Our Business and Supply Chains

Tradelink undertakes the following activities:

- Tradelink has offices with specialist procurement strategically placed at source in Brazil, China, USA, Canada, West Malaysia and Singapore.
- Supplying a selected range of timber products from the timber producing regions around the world. These products include sawn lumber, decking, flooring, laminated products, railway sleepers, plywood and processed wood fibre products.
- Providing a range of wood species in standard sizes and grades as well as specific cut to order bespoke specifications.
- Holding stocks of key standard products in strategically placed warehouses around the world
- Manufacturing of solid hardwood flooring and other wood products at our own factory in Brazil

Tradelink has a manufacturing division in Belém, Brazil (Tradelink Madeiras Ltda), where it employs about 15 office staff and about 70 factory workers. All our employees at the Factory are employed on a full-time basis. We do not use recruitment agencies nor seasonal workers. Our factory employs 95% of its employees residing in the factory's municipality (Ananindeua), directly and actively supporting local development.

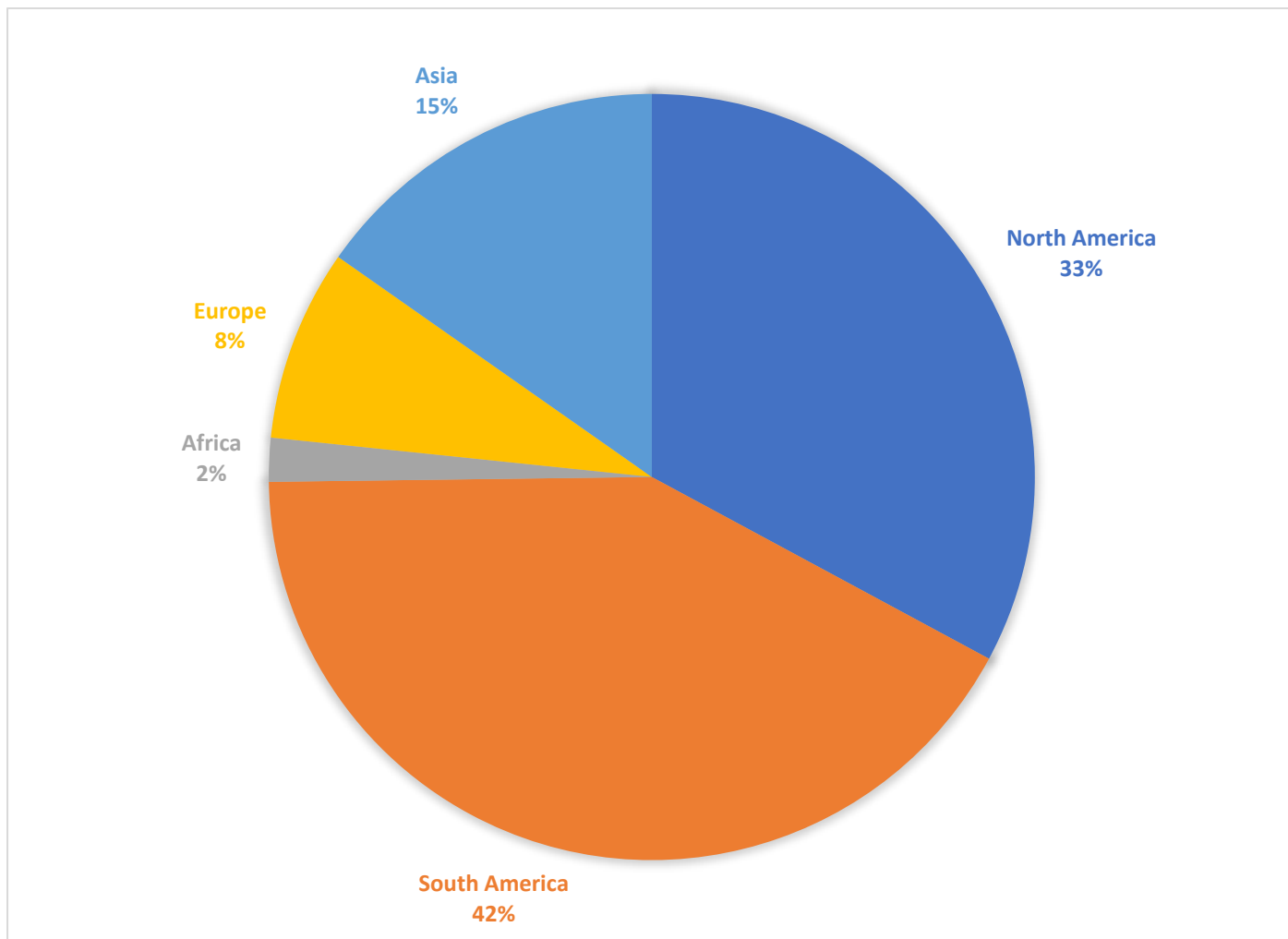
In line with its role as employer, and in almost 30 years of operation, the company has ensured that it has upheld all its labour obligations. Our factory sources rough sawn lumber from about 15 – 20 supplier sawmills, who are visited by upper level management on a monthly basis. During such visits, checks are done to make sure these mills are complying to the legal labour requirements set out by local labour laws and legislation. This includes worker's safety and working conditions.

Countries of operation and supply

The organisation currently operates in the following countries:

Country	Location	Scope
U.S.A.	Greensboro, NC	Import, Sales & Procurement
China	Shanghai	Import and Sales
France	Nantes	Import and Sales
Portugal	Lisbon	Import and Sales
South Africa	Durban, Cape Town & Johannesburg	Import and Sales
Brazil	Belém, Pará	Manufacturing, Export & Procurement
U.K.	London	Head Office, Import and Sales
Singapore	Singapore	Procurement from S.E. Asia region

During the 2019 financial year, Tradelink sourced product from 175 suppliers spread across the following regions:



Assessing and managing risk

Tradelink follows the EUTR and Timber Trade Federation due diligence procedures. Its approach to assessing modern slavery risk in the supply chain builds on the risk assessment procedures that currently exist within the company. We believe the best way to assess risk in High-Risk source areas like Brazil, is to frequently visit suppliers, and establish long term business relationships with them. We conduct audits on all our suppliers in Brazil to forest level. For other higher risk sourcing regions where we don't have the same presence as we do as in Brazil, then will seek to source from certified (eg. FSC, PEFC, VLC, VLO, Legal Source schemes). Forest certification and legality verification schemes provides mitigation at the forest management level and limited mitigation along the supply chain. Sourcing certified products is an effective measure to mitigate risk of modern slavery.

Tradelink's risk assessment of modern slavery includes the following processes:

- We check both the Transparency International Corruption Index of each source country where the logs are harvested, and the UN Security Council and Council of the EU to see if sanctions exist to help us assess the risk of slavery.
- We use resources such as the Global Slavery Index Country guidance to get information on possible risks identified in the regions we source in. In Brazil we monitor and check the Federal Government's "Dirty List" / *Lista Suja* which lists companies who have unresolved Slave Labour violations. A link to this list can be found [here](#). If a company is listed, Tradelink will not work with them.
- We assess the responses of each new supplier completed Responsible Purchasing Policy (RPP) and attached forms. If risks are identified we will request more information from suppliers or work together with them to diminish or eliminate risk. The RPP is supported by a questionnaire on worker rights.
- We have an annual evaluation risk assessment of our current suppliers.
- The supply chain for each product/species undergoes a detailed Risk Assessment Analysis. For example, in Brazil we use 3rd party auditors to do a desktop audit of the company and if necessary, further onsite audits are conducted. This includes field audits and visits to the mills to conduct further risk assessments or obtain any information that could not be found via desktop audit.
- we require additional information and verification from the supplier where the assessment highlights the risk of possible slavery in the supply chain.
- In Brazil, Tradelink is a signatory and associate of [InPACTO](#), whose mission is to promote the prevention and eradication of slave & child labour in the production chains of national and international companies. Each associate must abide and be audited yearly against InPACTO's [Bylaws](#).

Our policies

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

Human Rights Policy

- Respect for human rights is a fundamental value of Tradelink. We strive to respect and promote human rights in our relationships with our employees and suppliers
- We are intolerant to disrespectful or inappropriate behaviour, unfair treatment or relation of any kind. Discrimination and harassment are not tolerated in the workplace and in any work-related circumstance outside the workplace.
- The health and safety of our employees is of high importance. Our policy is to provide a safe and healthy workplace and comply with applicable health and safety laws and regulations, as well as internal requirements

Supplier/Procurement policy: Tradelink 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. Tradelink requires that all suppliers meet the requirements of the Procurement Policy.

Recruitment Policy: We use only specified, reputable employment agencies to source labour and always verify the practices of any new agency we are using before accepting staff from that agency. The policy is being reviewed to ensure that specific references are made to combatting the risk of modern slavery in 2019/2020

Employee code of conduct Our code makes clear to employees the actions and behaviour expected of them when representing Tradelink. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain. Tradelink's policy is to treat all its own employees with dignity and respect. We do not tolerate and prohibit:

- Threats of violence, harassment, and intimidation.
- Child labour
- Any type of sexual discrimination

Due Diligence Procedure for Sourcing of Timber products: The Due Diligence Procedure sits alongside the Tradelink Procurement Policy and includes reference to Human Rights Due Diligence and taking steps to address Modern Slavery and exploitation.

Our Group Compliance Officer is responsible for policies and their annual revision and renewals. We are commencing a review of our current policies to assess the need to strengthen our range of human rights related policies in the next financial year. See 'Next Steps' below.

Due diligence, monitoring, and auditing

Tradelink undertakes due diligence when taking on new suppliers and it carries out annual reviews of its existing suppliers, or more regularly as required. Tradelink's due diligence approach to Procurement is clearly outlined in our "*Due Diligence Procedure for Sourcing of Timber products*".

Our due diligence processes include:

- Scheduling a high-level risk mapping of the supply chain broadly to assess modern slavery and human trafficking risks of particular product or in particular geographical areas..
- Evaluating the modern slavery and human trafficking risks of each new supplier via CSR feedback and onsite visits by management, due diligence team members, and third-party audits. All New suppliers will be visited, and audits conducted.
- Ongoing reviews of our supply chain based on our current supply chain mapping of our products/species.
- Conducting supplier audits or assessments, when possible through visits conducted by senior management or an appointed third-party auditor. These audits would include visits to the supplier's factory or mill and desktop audits of their source of raw material. If red flags or risks are identified, then field visits to forest level are organised and conducted by Tradelink's Due Diligence team (e.g. our forest engineer) and / or a third party auditor who compiles a detailed report of the supply chain. Mitigation is then applied to identified risks.

- Usage of new technologies such as Satellite imagery over specific periods to see how the forest has been harvested and to identify actual harvesting activities have taken place over the period advised.

Our suppliers

Our suppliers undergo a supplier approval process by completing our Responsible Purchasing Policy (RPP¹) and having their supply chain mapped and approved prior to any initial orders being placed. In addition to this requirement for new suppliers we undertake the following actions:

- creating an annual risk profile for each supplier (including current suppliers), considering factors such as the risk level of the region of supply and the species and products supplied.
- taking steps to improve substandard suppliers' practices, including providing advice to suppliers and requiring them to implement action plans.
- invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier procurement policy, including the termination of the business relationship as a last resort.
- Our suppliers also sign and commit that no Slavery/ Slave labour has been utilised or identified in the supply chain that they are part of, and that the products they supply us have not been produced, or manufactured wholly or in part by convict, forced, or indentured labour.

Performance indicators

We have reviewed our key performance indicators (KPIs) in light of the introduction of the Modern Slavery Act 2015. As a result, Tradelink will continue to monitor the following KPIs during 2021.

- 100% action taken on any reported instances of breaches to the Tradelink supplier code
- In 2019, all staff (including supply chain managers and HR professionals) working in identified high risk areas, completed awareness courses and had and had training on modern slavery. New additions to our staff also completed the same orientation where required.

Training and Capacity building

Staff will be provided with training so that they recognise the impacts associated with their activities and their role in managing these, as well as understanding the risks of modern slavery and human trafficking within

¹ The TTF RPP is a risk management framework for the continuous improvement of TTF Members' awareness of what their obligations are under the EU Timber Regulation (EUTR), the Construction Products Regulation (CPR) and TTF Code of Conducts, and how they can meet these requirements. Our RPP is monitored through a streamlined reporting, data collection and annual audit process, enabling robust analysis.

supply chains and the business. It is expected from every employee to report any concerns and management is committed to acting upon these using the routes of communication.

Tradelink's Compliance Officer has completed the "END Slavery" training programme an accredited training programme run by an external expert [Ardea International](#) in previous years and has taken part in Workshops focused on the risk of Slavery in the Brazilian Beef & Timber industries. A focus for the year was providing refresher courses on key issues to our senior and middle management team.

Training on this statement and on the risk our business faces from modern slavery in its supply chains, forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary. The scoping of further training needs is a priority action for the next 12 months, see below.

We have continued to raise awareness of modern slavery issues in the organisation by circulating a series of emails and publications. These emails have included information on the following issues related to Modern Slavery:

- 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 the organisation; and
- what external help is available, for example through the UK Modern Slavery Helpline.

Tradelink has acted on 100% of identified issues of breaches to labour rights. During the coming year we will seek to develop how we measure the effectiveness of our processes.

Next steps

Our Group Compliance Officer will continue to orientate the modern slavery agenda and training programs for Tradelink employees and supplier awareness. Our zero-tolerance approach to modern slavery, all forms of forced labour and any form of human trafficking continues to be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter.

Tradelink is committed to improve its policies and procedures to ensure that any risk of modern slavery in the business or supply chains is identified and properly addressed. During the upcoming year we will be:

- Continuing to develop and enforce procurement policies and supplier reviews including country risk assessments
- Carrying out further field audits of potential new suppliers in Brazil, focussing on labour practices and workers' living conditions
- Reviewing our policies and procedures to consider the need to update and develop further policies relating to modern slavery and human trafficking.

- Creation of a Whistleblowing Policy
- Aiming to include in future MSA Statements, examples of identification of slave labour risks in the supply chain and what was done to remedy these.
- The inclusion of more ILO indicators of forced labour
- Conducting a training needs analysis to determine whether any additional or refresher training needs to be given to specific functions such as procurement and senior management.
- Using the "[Ethical Trading Initiative](#)" Modern Slavery Statement Framework to assess the quality of published statements

Board approval

This statement has been approved by Tradelink's board of directors on 10th December, 2020, who will review and update it annually.

Signed Copy available
on request

Date: 10th December, 2020

Managing Director:

HERMAN P. SCHEY