

Modern Slavery Act policy statement

The purpose of the statement is to set out what Burmeister & Wain Scandinavian Contractor (BWSC) as an organisation has done to prevent modern slavery in its own business and supply chain. A definition of "modern slavery" can be found in Annex A of the UK Government's Guidance issued under Section 54 (9) of the Modern Slavery Act 2015.

This is BWSC's fifth statement on slavery and human trafficking following the introduction of the Modern Slavery Act 2015 (the "Act") in the UK. BWSC fully supports the aims of the Act and is committed to tackling modern slavery and human trafficking to the extent it can. This statement is made pursuant to section 54(6) of the Act and constitutes BWSC's slavery and human trafficking statement for the financial year ending on 31 December 2020. BWSC relies upon this statement, where necessary, for the purpose of complying with the annual reporting requirements of the Modern Slavery Act 2015.

While human trafficking and slavery is generally not considered a concern among our direct suppliers, labour standard issues could be present in construction and supply chains, in the production of construction materials, delivery of construction activities and through the provision of services.

Our business

BWSC operates its business from its head office in Denmark, north of Copenhagen, and through a number of subsidiaries.

In 2020 BWSC employed more than 700 employees globally, of which around 400 are based at the head office. The remaining employees are located at project sites around the world and are involved in construction, commissioning or operation and maintenance (O&M) of power plants.

BWSC is a global provider of power plants and has until recently had three main activities: engineering, procurement and construction (EPC), post construction services and project development & investments. In response to the market development and negative results in 2020, combined with uncertainties in the market ahead, BWSC has decided to change the strategic focus of the company.

While remaining committed to completing all on-going construction projects, going forward we have decided to focus efforts on continuation of the strong O&M and service business, which has grown to account for almost half of the company revenue. BWSC has grown to become a significant player in the markets with strong value propositions within each sector. Our global supply chain has in 2020 comprised of suppliers such as manpower companies, contractors, service providers, and producers of materials and manufacturers of a variety of mechanical, electrical and other products used for professional services and in the construction process.

Further details of the organisation's structure can be found in our Annual report 2020.

Values, policies and procedures

BWSC is committed to being a responsible business and to upholding high ethical standards in all our operations, including those of our supply chains, around the world. Our commitments are expressed in three key documents: our Business Code of Conduct that outlines provisions and guidelines for ethical business conduct; our CSR Statement, which expresses our commitment to positively contribute to the societies we engage in and our Annual reports, which set out our achievements and performance indicators for the next year.

In January 2020, we launched a Code of Conduct for Business Associates, which supports and promotes our core values of trustworthiness, credibility and integrity. This latest conduct is aligned with our Code of Conduct for Employees and includes elements of business integrity, including commitments regarding human rights.

This includes refraining from employing forced or child labour and ensuring non-harassment, equal opportunity and non-discrimination in the workplace. Overall, it is BWSC's policy to conduct its business in compliance with applicable laws and binding international conventions, including the ILO standards.

Our Code of Conduct for Business Associates is supported by General Terms and Conditions for Purchase, and pre-qualification 'supplier declarations' for major suppliers.

By accepting to the General terms and conditions, and to comply with BWSCs Code of Conduct for Business Associates, the suppliers undertake and warrant on behalf of themselves, their employees, agents and representatives that in the production of goods delivered to BWSC, and/or in the provision of services to BWSC, they will comply with applicable laws and binding international conventions covering human rights and labour principles.

The above terms and conditions are part of the contracts with suppliers and are accepted along with the contract of purchase and employment.

BWSC is further entitled to monitor any suppliers' compliance with the Terms (to the extent possible) and report any suspected violations to the department manager or the staff in Legal or Compliance at the earliest possible.

Due Diligence and Risk assessment

To identify and mitigate the risks of modern slavery and human trafficking, BWSC is committed to continuously improve its approach to the procurement of labour, goods and services.

Key activities for 2020 have included implementation of a policy and procedure to ensure that a compliance risk assessment is carried out on all sales projects. The project specific compliance risk assessment includes an assessment of risks associated with key provisions in the Business Code of Conduct. Policies and procedures for compliance due diligence of third parties has been revised and relevant employees have been trained accordingly.

Our tools assess suppliers against labour standards, health and safety, and business ethics criteria, identifying issues and risks. Where issues are identified, BWSC works with suppliers to seek resolution. If the issue is deemed serious and/or is not capable of remediation, BWSC will not enter into agreement with the supplier or will remove the supplier from the supply chain unless and until the issue is fully resolved.

As a new step in the supplier (re)evaluation process, suppliers are asked to sign the BWSC Code of Conduct for Business Associates.

BWSC also has a Whistleblower system in place via an external provider, which allows all BWSC employees to make anonymous reporting of misconduct, fraud or other criminal activities.

We recognise that certain jurisdictions are considered high risk and have different legal and cultural frameworks. We strive to work with clients and suppliers to understand the risks and mitigate them within the parameters of local law.

In 2021 we aim to adjust the policy and procedures for third party due diligence to match the risk profile of the "new BWSC" – following the re-organisation initiated in November 2020.

On-going reviews

We will continue to review and evolve our approach as we gain further understanding of the risks presented by our business activities and suppliers and in line with guidance published by the UK Government. Future initiatives include targeted and risk-based training of our employees globally.

Board approval

This statement has been approved by the company's Board of Directors, who will review it annually.

A handwritten signature in blue ink, appearing to read "Torkil Bentzen". The signature is fluid and cursive, with a large initial "T" and "B".

Torkil Bentzen
Chairman, Board of Directors
February 2021