

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 third 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 2018. 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.

BWSC employs 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 three main activities: engineering, procurement and construction (EPC), post construction services and project development & investments. Our global supply chain is 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 at www.bwsc.com.

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 and expectation of suppliers are summarised in our General Terms and Conditions for Purchase supported by pre-qualification 'supplier declarations' for major suppliers. These terms and conditions and requirements include elements of our Business Code of Conduct and CSR statement, and state for example BWSC's policy to conduct its business in compliance with applicable laws and binding international conventions, including the ILO standards. By accepting these conditions, 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 legal staff office at the earliest possible.

Due Diligence and Risk assessment

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

BWSC follows a Supplier Evaluation Procedure, which includes compliance with BWSC's Business Code of Conduct (anti-bribery) and other prequalification tools to assess compliance of suppliers. We also undertake due diligence of key suppliers through a Know Your Customer (KYC) review. These 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.

Further, BWSC follows the principles of UN Global Compact related to Human and Labour Rights and Business Integrity and encourages key business associates to follow the principles of the Compact. Following these principles is part of BWSC's Supplier Evaluation Procedure.

BWSC also has a Whistle-blower 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 2018 we have updated and made available an overview of internal and external procedures in place to help mitigate risks and ensure compliance with the BWSC CSR statement and Business Code of Conduct. These procedures can be found in the CSR publication on the BWSC website and are subject to ongoing review.

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 further developing our supplier assessment procedures and policies, as well as training of employees in this area.

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', written over a light blue circular scribble.

Torkil Bentzen
Chairman, Board of Directors
February 2019