

MODERN SLAVERY TRANSPARENCY STATEMENT

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015, and covers the actions and activities of **Kronospan Holdings Limited and its subsidiary Companies (Kronospan)** in respect of the financial year ending 30th September 2016. It sets out the steps that Kronospan has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Organisational structure & supply chains

We primarily manufacture particleboard, Medium Density Fibreboard, Laminate Flooring, resins for wood-based panels. We also produce Melamine-faced panels, Post-formed Worktops, and Sawn Timber.

Kronospan currently operates its' businesses primarily in the United Kingdom and Ireland and sell the majority of our products to customers in these countries.

The bulk of raw materials, engineering equipment and sundry supplies are sourced from certified, European based suppliers, and in the case of wood and residues using internationally recognised systems for the certification of sustainable forestry management and its supply chain. Some chemicals are purchased competitively on world markets.

Relevant policies

We operate the following policies that describe our approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in our operations:

- **Business code of conduct:** Kronospan is committed to ensuring that its employees and 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. We work with suppliers to ensure that they meet the standards of the code and provide good working conditions. Violations of the supplier code of conduct will lead to the termination of the business relationship.
- **Employee code of conduct:** Our code makes clear to employees the actions and behaviour expected of them when representing Kronospan. We strive to maintain the highest standards of employee conduct and ethical behaviour, managing our supply chain by actively and specifically evaluating and reporting any external activities which are a cause for concern.
- **Anti-Slavery policy:** We have a robust approach to any form of modern slavery. We are committed to preventing slavery and human trafficking in our corporate activities. This policy sets out Kronospan's stance on modern slavery and explains how employees can identify any instances of this and where they can go for help.
- **Recruitment policy:** We operate a robust recruitment policy, including conducting eligibility to work in the UK checks for all employees to safeguard against human trafficking or individuals being forced to work against their will.

Kronospan uses only specified, reputable, registered employment agencies to source temporary labour and always verifies the practices of any new agency it is using before accepting workers from that agency.

- **Whistleblowing policy:** We encourage all our workers, customers and other business partners to report any concerns related to the direct activities, how colleagues are being treated, or the supply chains, of Kronospan. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of reprisals.

Due diligence

Kronospan undertakes commercial and operational due diligence when considering new suppliers, and regularly audits and reviews its existing suppliers.

We carry out risk assessments of our supplier base by identifying suppliers which, either as a result of geographical location, industry sector, or the nature of the transaction are considered to be at an elevated risk of modern slavery and human trafficking.

The key area of risk has been identified as chemical product sourced on world markets outside of Europe and North America. Whilst such activities are not considered to be at high risk of slavery or human trafficking, Procurement personnel conduct such negotiations with a heightened level of awareness of the potential exposure to minimise risks.

Performance Indicators

The effectiveness of the steps that we have taken to ensure that slavery and/or human trafficking is not taking place within our business or supply chain are to be measured by the level of reports that we have from Procurement staff, employees, the public, or law enforcement agencies that indicate modern slavery practices have been identified.

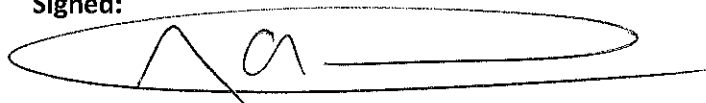
Training

We regularly conduct training for our procurement personnel so that they understand the signs of modern slavery and what to do if they suspect that it is taking place within our supply chain.

Board approval

This statement has been approved by Kronospan's Board of Directors. It will be reviewed and updated annually.

Signed:

A handwritten signature in black ink, appearing to be 'Mike McKenna', is enclosed within a large, hand-drawn oval. A horizontal line extends from the right side of the oval.

Mike McKenna
Director
Kronospan Holdings Limited
26th January 2017