

Modern Slavery & Human Trafficking Statement (2016)

Introduction

This statement describes the steps taken by Siniat Limited to understand potential modern slavery risks and to ensure the absence of slavery and human trafficking in its own business and in its supply chains in the trading year 1 January 2016 to 31 December 2016.

Note that in January 2017, Siniat became part of a new legal entity, Etex Building Performance Limited. For the purposes of this report the current tense is used for ongoing Siniat activities, although the company name has now been changed.

As part of the international Etex Group of Companies, Siniat recognises its ethical and moral responsibilities to uphold the highest standards in human rights, including zero tolerance of any form of slavery or human trafficking in its corporate activities or supply chains.

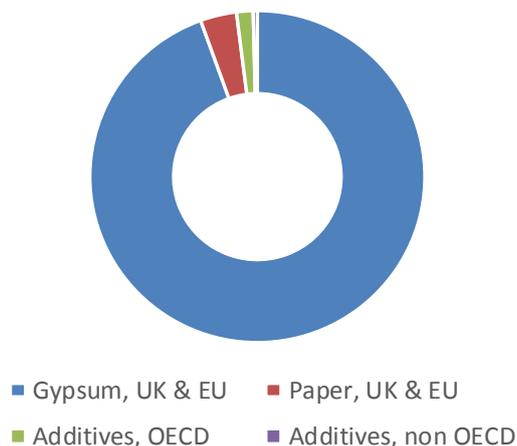
Organisational Structure & Supply Chains

Siniat specialises in the manufacture and supply of gypsum-based products and solutions for the dry construction sector. Siniat Limited operates as a single legal entity with activities in the United Kingdom and the Republic of Ireland. It owns and operates manufacturing plants in Bristol and Ferrybridge (Yorkshire). The main products produced are plasterboard, plaster coving and associated gypsum-based compounds for the jointing and finishing of drywall building systems. Alongside directly manufactured goods, various resale products are supplied into the market, notably metal framing, fixings and other drywall accessories.

In relation to manufactured products, over 98% of raw materials comprise of gypsum or paper sourced from the UK and Europe. The remaining additives have more varied supply chains, but these are predominantly contained within low risk OECD countries.

Figure 1:

Sourcing of Direct Raw Materials by volume, 2016

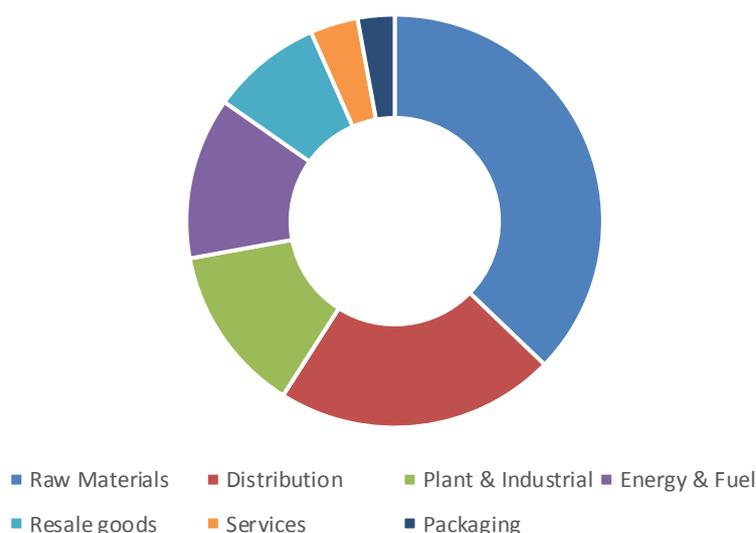


In line with moves towards a more circular economy, 60% of manufacturing raw material inputs in 2016 consisted of secondary materials. These included by-product gypsum sourced from UK power stations, produced using limestone extracted from British quarries. The other secondary materials were recycled paper and gypsum. The supply chains for these post-consumer materials were contained entirely within UK and Europe but with diffuse traceability. For example, gypsum had been collected in up to 1,000 separate construction sites.

Siniat used a total of 694 separate suppliers of materials and services during 2016. A breakdown of purchasing categories by spend is shown in Figure 2. Around 20 suppliers provided direct labour working within Siniat plants alongside employees, mainly providing services such as cleaning, engineering maintenance and logistics.

Figure 2:

*Purchasing Category
by spending, 2016*



Organisational Policies

Policies and other arrangements relevant in relation to slavery & human trafficking included:

- **[Siniat Responsible Sourcing Policy](#)**; first established in 2010 and communicated to all suppliers. With respect to human rights this policy committed the company to adhere to the UN Global Compact and defines a similar expectation in the supplier base.
- **[BES6001 Certification for Responsible Sourcing of Construction Products](#)**; maintained since first certification in July 2011, with annual third party assessment of the business and its supply chain. Held at “Very Good” level since 2012.
- **[Etex Group Code of Business Conduct & Ethics](#)**; applied since acquisition of the company by the Etex Group in November 2011. The Code requires high standards of ethical behaviour in relation to human rights and defines minimum acceptable standards for legal and ethical compliance in the supply chain.
- **[Siniat Purchasing Policy](#)**; major update in 2015, including provisions for evaluating the social and ethical performance of potential supply partners.
- **[Policy on Modern Slavery & Human Trafficking](#)**; first issued in 2016 and communicated to all suppliers. The policy outlined commitments, expectations for compliance with the UN Global Compact and ILO Conventions in supply chains and the steps to be taken to implement the policy.

- ***Siniat Human Resources Policies***, including rules on the use of specified, reputable and verified employment agencies for the sourcing of labour and prohibiting the employment of persons under 18 years of age.
- ***Recognition of Trade Unions*** at the Bristol & Ferrybridge production plants.
- ***Promotion of the UK Modern Slavery Helpline*** to facilitate confidential reporting by workers of any concerns they may have.

Due Diligence

Siniat undertook due diligence as part of the evaluation of new supply partners with regular reviews of supplier performance. To coincide with the drafting of its new policy on Modern Slavery & Human Trafficking, in 2016 Siniat surveyed all 694 of its active first-tier suppliers on their relevant controls as part of communication of the policy.

The feedback from this exercise provided a basis for risk assessing the supply chain alongside sector and geographical risk factors. By the end of 2016, Siniat had collected 191 compliant supplier responses. A significant proportion of the supplier base is subject to section 54 of the Modern Slavery Act 2015, requiring a public statement on the steps being taken to eliminate slavery. According to the regulatory guidance, these should be publicly available for all affected organisations before the end of June 2017. These statements will be collected and reviewed, adding to coverage of the supply base and providing a more comprehensive view of the potential areas of risk.

An early finding from this initial due diligence exercise is a misunderstanding prevalent amongst some small and medium enterprises (SME's) over the Modern Slavery Act applying only to companies with a turnover exceeding £36 million. The opportunity has therefore been taken to improve regulatory awareness in the supply chain and to reinforce the message of supplier requirements applying to organisations of all sizes.

A further initiative with similar awareness-raising objectives was taken in collaboration with other gypsum product manufacturers acting within the Plasterboard Sustainability Partnership (PSP). This group of supply chain partners aims to improve sustainability in our industry sector over the product life-cycle, including social and economic issues alongside environmental impact. In view of the challenge of tracing secondary gypsum collected from multiple construction sites and waste industry sources, a presentation was given in October 2016 to gypsum recyclers on Modern Slavery Act requirements and the need for due diligence along the supply chain.

Assessing & Managing Risk

As the overall picture of the exposure and controls of first-tier suppliers emerges during 2017, the successor company (Etex Building Performance) will be able to start identifying possible areas of risk warranting more detailed mapping of the supply chain.

In one sector known to be high-risk, the sourcing of garments with supply chains extending to south-east Asia, Siniat received adequate assurances from first tier suppliers of ethical controls preventing slavery and forced labour. The evidential basis deriving from supplier audits appeared to be satisfactory, allowing other risks to be assessed.

It is intended to establish the risk profile of the supply chain by product category (or sector) and geographical location, informed by evidence collected from suppliers. As a first priority the scope will be materials incorporated into products placed on the market. Materials of especial interest are the small proportion of materials with supply chains extending back to non-OECD countries, including Ukraine, Russia, South Africa and Taiwan. In terms of “at risk” sectors, extractive industries in any of these locations will be monitored. Concerns have been raised in the media surrounding the mining of mica, a product ingredient purchased in relatively small quantities. This supply chain will be verified.

Within the UK, the public statements of the major players in the waste industry will be studied to determine the level of risk perceived in the supply chains for post-consumer gypsum and recycled plasterboard liner. Response actions can be co-ordinated via the Plasterboard Sustainability Partnership (PSP), if necessary.

In relation to the “indirects” purchasing category, attention will be paid to the public statements of major players in the computing, communication and automotive sectors where publicised concerns exist in relation to certain minerals and those used in electrical batteries in particular.

Training & Awareness

The concepts of responsible and ethical sourcing were included within the business sustainability module of the company’s induction training for all new employees. New staff also received a copy of the ***Etex Group Code of Business Conduct & Ethics*** and an explanation of its contents within the context of their role in the business. Compliance was a contractual requirement for all employees and a reference to the Modern Slavery Act is being added to the company’s Employee Handbook.

Siniat’s purchasing staff received training on compliance with the Modern Slavery Act via their professional body, the Chartered Institute of Purchasing & Supply (CIPS). Equally human resources managers have received continuous professional development training on the Act. All managers were made aware of the ***Siniat Purchasing Policy***, with a record of their understanding of the policy being tested and recorded.

General awareness of modern slavery among the company’s staff was raised by various methods, including the display of posters and articles in the internal company magazine. Modern Slavery was included within a monthly safety conversation undertaken by managers in all company workplaces. The main objective of these communications was to make employees aware of the ***UK Modern Slavery Helpline*** to whom any concerns could be reported on a confidential basis.

Performance Measures

Apart from any figures provided within this statement, Siniat did not define any new performance indicators relating to controlling the risks of slavery. Such metrics have most value in measuring and driving continuous improvement over time; to be useful they need to be comparable on a year to year basis. During 2017 the purchasing organisation of Siniat will be combined with those of other Etex Group companies operating within the UK, including Promat and Marley Eternit. It is therefore planned to establish appropriate supply chain performance measures once the new purchasing organisation comes into being.

Forward Programme for 2017

The three Etex Group companies involved in dry construction in the UK were combined to form **Etex Building Performance Ltd** in January 2017. The three commercial brands - Siniat, Promat and EOS Facades - will live on within the new combined organisation. The next most significant event in 2017 will be the establishment of a new combined Etex UK Purchasing Organisation during quarter 2. As part of this integration process the ethical and responsible sourcing arrangements of the three companies will be streamlined into a single approach. Every care will be taken to ensure the management of the risks of slavery in the supply chain will be at least as robust as in the formerly separate operations.

In parallel with these developments, Etex Building Performance Ltd will implement a new independent whistle-blowing service for use by employees for confidential reporting. This will provide for the raising of any concerns over forced labour in company activities alongside other purposes linked to the Etex Code of Business Conduct & Ethics. As detailed above it is intended to review published company statements to increase due diligence coverage of first-tier suppliers. Modern slavery controls will be added to supplier audit protocols when conducting duty of care audits of waste service providers and suppliers of secondary gypsum.

Approval

This statement has been approved by the executive committee of Etex Building Performance as successor company to Siniat Ltd.



Neil Ash

Managing Director, Etex Building Performance Limited.

June 2017