



# MODERN SLAVERY TRANSPARENCY STATEMENT 2019

## INTRODUCTION

This is the Modern Slavery Transparency Statement of Element Materials Technology Group Limited and all other relevant group companies (Element or the Group) for the financial year ended 31 December 2019. This statement is made pursuant to section 54 of the Modern Slavery Act 2015 (the Act). (1)

The Act creates offences in respect of slavery, servitude, forced or compulsory labour and human trafficking (Modern Slavery). Element is committed to combatting all forms of Modern Slavery.

## ABOUT ELEMENT AND SUPPLY CHAINS

Element is one of the world's leading laboratory-based testing companies. Originally formed from the in-house materials testing and product testing laboratories of the Netherlands-based Stork Engineering Group, Element can trace its testing pedigree back to 1827. Element itself was formed in 2010, following a management buyout from Stork Engineering Group. Through acquisitions and organic growth, Element has significantly extended its technical capability, operational capacity and geographic footprint. This supports our strategy to satisfy our client's future testing requirements and our mission to become the world's most trusted testing partner.

The Group specializes in providing a comprehensive range of materials testing, product qualification testing, consulting and certification services to advanced industrial end markets including in the Aerospace; Fire & Building Products; Energy; Connected Technologies and Transportation & Industrials sectors. In December 2019, Element acquired PCTEST Engineering Laboratory, significantly strengthening Element's position in testing and certification services within the Connected Technologies market.

Element is headquartered in the UK with approximately 7,000 employees, operating out of around 200 sites located in more than 30 countries throughout the world.

Element is committed to conducting its business in a socially responsible manner, respecting the needs of its customers, employees, investors and other stakeholders. The Group's reputation, together with the trust and confidence of those stakeholders, is one of its most valuable assets and Element strives to maintain the highest ethical standards in all its business activities.

Element provides technically demanding services and skilled people and excellent processes are key to its success. Element recognizes however that Modern Slavery is an issue that could affect its business and its supply chain. For example, Element's key supplies include laboratory equipment, clothing and personal protective equipment and there is a recognized risk of Modern Slavery impacting these supply chains.

(1) This statement sets out the steps taken by Element Materials Technology Group Limited and Warringtonfire Testing and Certification Limited both of which fall within the scope of section 54(2) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.



## RELEVANT POLICIES AND PROCEDURES

### ■ Modern Slavery Policy

Element has a zero tolerance approach to Modern Slavery and the following principles apply to Element's business and its supply chain: (i) child labour must not be used; (ii) any form of forced or compulsory labour must not be used. Workers must be free to leave employment or work after reasonable notice; (iii) passports, visas and other personal documentation should not be taken from employees unless requested to be held by the employee for safekeeping purposes (and, if held for safekeeping purposes, they should be returned to the employee on request); (iv) all forms of debt bondage are prohibited. Workers should not be subject to contracts that tie them into repaying a loan (other than small loans to cover items such as transport costs), excessive accommodation expenses or other costs that they have no or little opportunity to repay; (v) compensation and benefits must comply with local laws relating to minimum wages, overtime hours and other benefits; and (vi) the formation of trade unions and powers of collective bargaining should be respected. The Modern Slavery Policy is available at <https://www.element.com/-/media/files/modern-slavery-policy/element-modern-slavery-policy.pdf?la=en>.

### ■ Independent third-party whistleblowing hotline

An independent third-party whistleblowing hotline is available to Element employees. The hotline can be used to report any ethical, integrity or compliance issue including human rights violations such as Modern Slavery. All reports are notified immediately to the EVP Human Resources and/or Group General Counsel who ensure that reports are followed up and appropriate actions are taken. The Audit Committee is provided with details of reports made and reviews how those reports are handled.

### ■ Supplier Code of Conduct

A Supplier Code of Conduct sets out details of the behaviours and principles Element expects its suppliers to follow including in respect of ethics and integrity, compliance with laws, anti-bribery and corruption, hospitality and gifts, fraud prevention, fair competition, health and safety and environmental matters and human rights and slavery. This is available at <https://www.element.com/-/media/files/modern-slavery-policy/element-supplier-code-of-conduct.pdf?la=en>.

## ASSESSMENT OF MODERN SLAVERY RISK WITH OUR SUPPLY CHAIN

Element has previously carried out a Group-wide Modern Slavery risk assessment. Personnel from Element's procurement, legal and HR teams were involved in the exercise. The risk assessment focused on any exposure to migrant labour and recruitment agents in higher risk jurisdictions and also considered Element's wider supply chain. Policies and procedures are in place to manage and mitigate these risks.

## DUE DILIGENCE OF SUPPLY CHAIN AND SUPPLIERS

In 2019, Element appointed a new Group Procurement Director who is responsible for leading all strategic procurement activities globally. She will further develop the Group's procurement plan and has extensive experience building, growing and streamlining international procurement and supply chain capabilities.

Element now has clear and consistent Group-wide procurement policies and undertakes due diligence when considering taking on new suppliers. Supplier due diligence processes have been enhanced and new suppliers used by the shared service centres and procurement team are now considered from a Modern Slavery perspective prior to being engaged. New suppliers used by the shared service centres and procurement team are provided with and are required to comply with Element's Modern Slavery Policy and Supplier Code of Conduct. Element has not detected any violations of the Act within the Group's supply chains to date.



## CONTRACTUAL TERMS

Element's Standard Terms of Purchase used in the UK, United States, Canada and the UAE (covering its main shared service centres), Germany, Singapore, Oman, Saudi Arabia and Qatar now include requirements in respect of Modern Slavery. In 2020, Element will also put in place Standard Terms of Purchase including requirements in respect of Modern Slavery in Sweden, China, South Korea and Japan.

## MODERN SLAVERY TRAINING

Updates/training in relation to the Act have been given to the Executive Team and members of the procurement, finance and HR teams. In 2019, a communication in relation to Element's Modern Slavery Policy and Supplier Code of Conduct was also circulated to all employees.

## NEXT STEPS

Modern Slavery risks and anti-slavery measures will continue to be reviewed and developed during the 2020 financial year. In 2020, the Group Procurement function will continue to enhance the due diligence carried out on Element's supply chain. Element will further strengthen its procurement policies and procedures and modern slavery training will be provided to the Procurement team. The Group will also continue to rationalize its supply chain, allowing increased governance of preferred suppliers.

This statement was approved by the Board of Element Materials Technology Group Limited and Warringtonfire Testing and Certification Limited.

A handwritten signature in blue ink, appearing to read 'Joseph Wetz'.

Joseph Wetz  
Chief Executive Officer  
Element Materials Technology Group Limited

A handwritten signature in blue ink, appearing to read 'Robert Veitch'.

Robert Veitch  
Director  
Warringtonfire Testing and Certification Limited

6 March 2020