



Modern Slavery Act statement

Introduction

Halma plc (Halma) supports the provisions set out in the Modern Slavery Act 2015 (Act) and has taken steps to prevent modern slavery occurring in its supply chain and within its own operations.

This statement has been published in accordance with Section 54 of the Act and applies to Halma and its subsidiaries (the Group). The individual companies which meet the requirement to report under the Act have been specifically mentioned below.

This year, Halma has worked in partnership with STOP THE TRAFFIK, a UK-based charity which works to disrupt and prevent human trafficking by raising awareness, informing and equipping individuals, organisations and communities to take action to combat this global crime. STOP THE TRAFFIK are conducting a modern slavery risk mapping exercise on our supply chain. Over the current year, we will be working with STOP THE TRAFFIK to assess the output from this exercise and identify areas of risk.

Business Structure and Supply Chains

Halma employs over 6,500 people in 43 businesses operating in 24 countries.

Our purpose - to grow a safer, cleaner, healthier future for everyone, every day - drives our strategy and culture. Our companies and products have a core focus on safety, health and environmental markets.

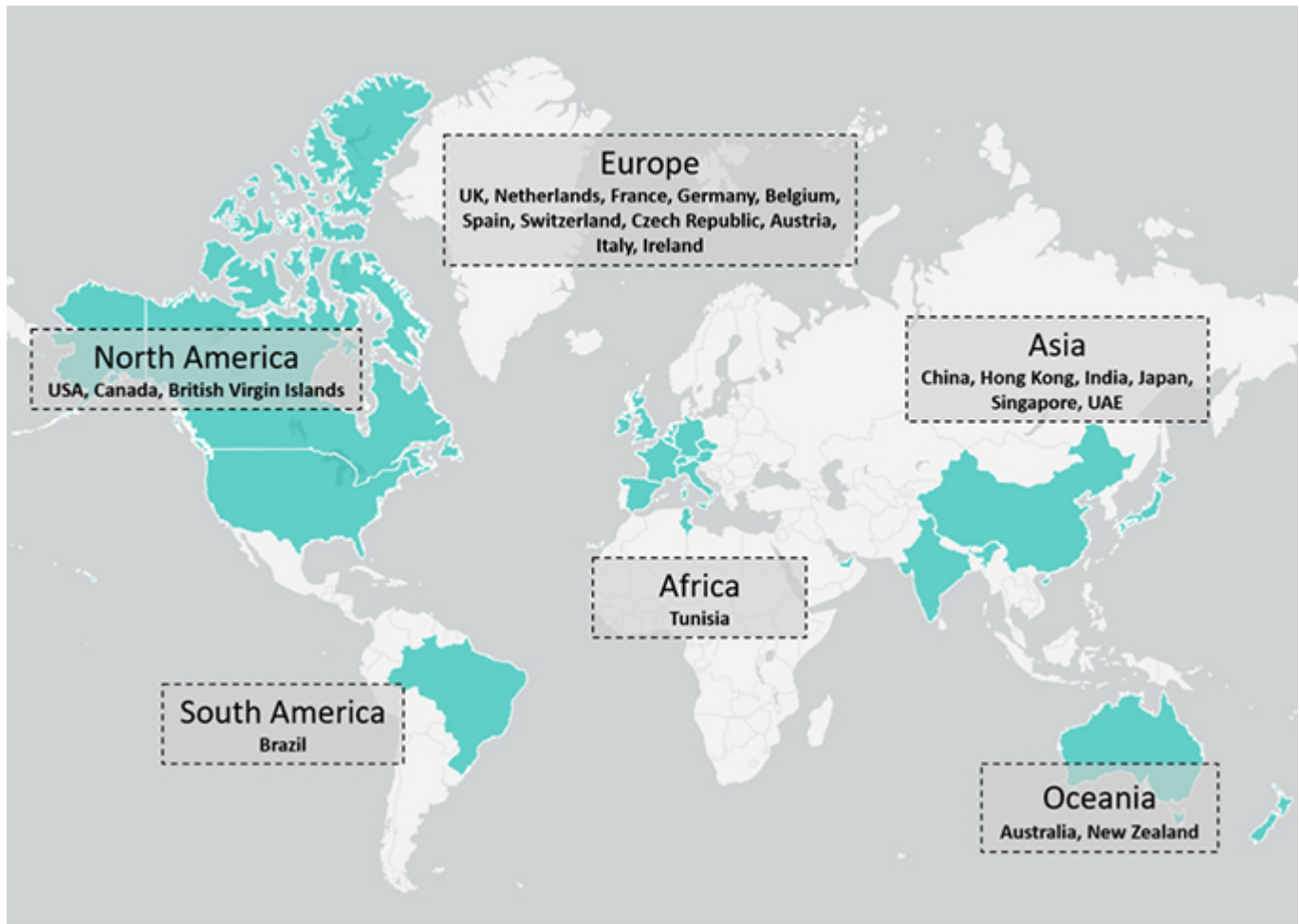


Figure 1: Distribution of Halma's operations

Our 43 businesses are grouped within four sectors:

1. Process Safety – 9 Businesses
Technologies that protect people and assets at work.
2. Infrastructure Safety – 11 Businesses
Technologies that save lives, protect infrastructure and enable safe movement.
3. Environmental & Analysis – 12 Businesses
Technologies that monitor and protect the environment and ensure the quality and availability of life-critical resources.
4. Medical – 11 Businesses
Technologies that enhance the quality of life for patients and improve the quality of care delivered by healthcare providers.

You can find out more about our businesses and what they do [here](#).

The location of our businesses and corporate offices can be found in our Group directory [here](#).

Halma is the parent company of the Group and employs the leadership team who set the framework under which our businesses operate. We have an autonomous organisational structure with clear lines of accountability. Local management are empowered to lead their business but must operate within the Group's compliance and control framework. All businesses are required to complete a semi-annual internal control certificate which confirms that they have complied with the Group's policies and procedures (see Policies and Procedure below for more information). This certificate includes a specific provision on compliance with our Modern Slavery Act policy, which was introduced to prevent modern slavery occurring in our businesses or supply chain.

This year, 6 companies have met the reporting criteria under the Act:

- Apollo Fire Detectors Limited (Apollo) – designs and manufactures fire detectors for commercial and industrial applications.
- Bureau d'Electronique Appliquée S.A. (BEA) – designs and manufactures motion, presence and safety sensors.
- Crowcon Detection Instruments Limited (Crowcon) – designs and manufactures gas detection instruments.
- Texecom Limited (Texecom) – designs and manufactures electronic intruder alarm systems.
- Medice AG (Medice) – designs and manufactures specialist eye surgery instruments.
- CenTrak, Inc. (CenTrak) – designs and manufactures real-time location services for healthcare facilities.

Halma spends approximately £600 million annually with over 12,000 suppliers across 68 countries. The majority of our suppliers operate in the USA (32%), the UK (30%), China (7%), and Germany (4%). Approximately 4,200 of these suppliers are considered to be 'significant suppliers' (meaning a total annual spend of £10,000 or more) and collectively represent approximately 95% of our annual supplier expenditure. These significant suppliers are distributed across 53 countries. The suppliers by continent is shown in figure 2 below.

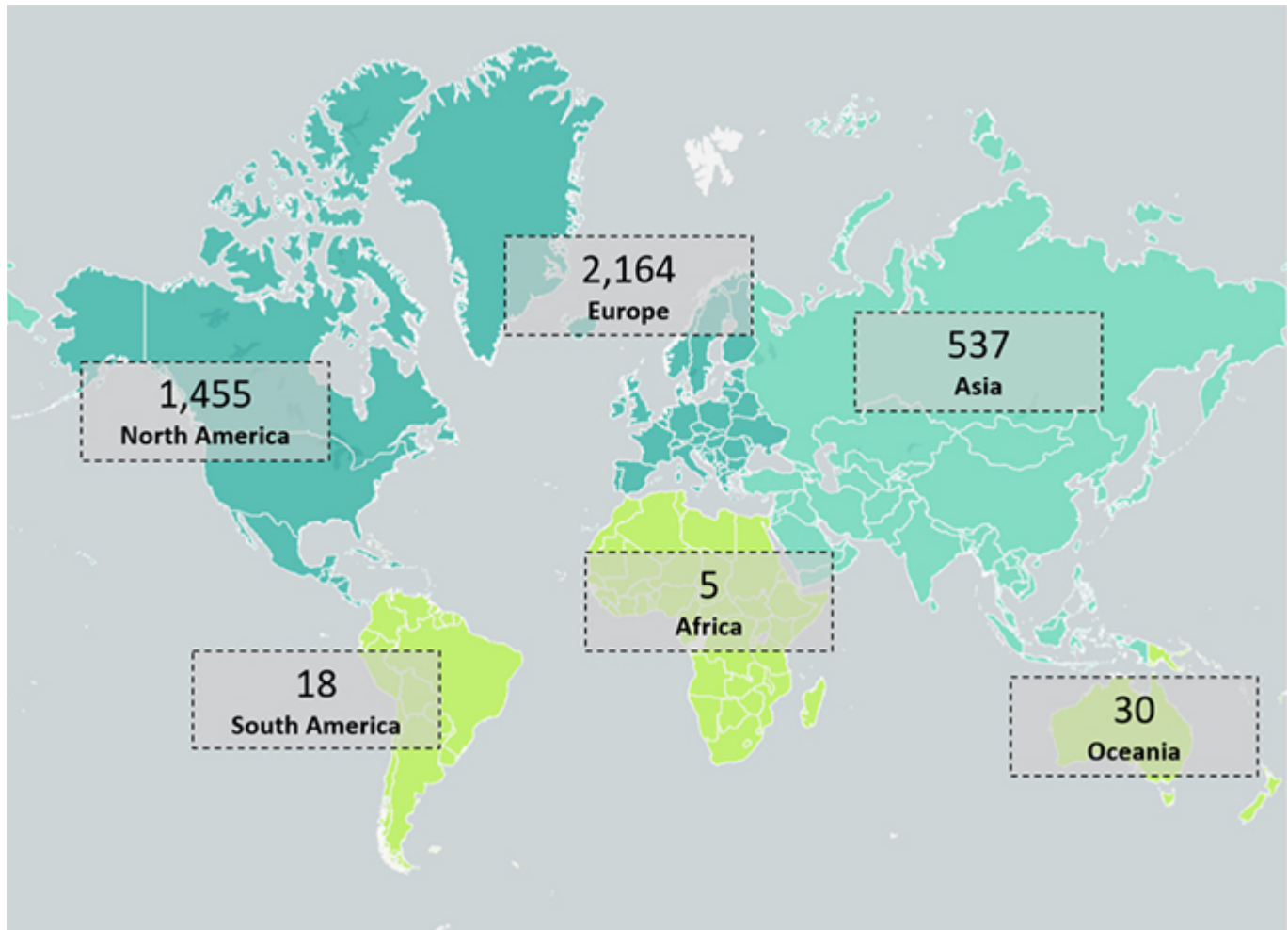


Figure 2: Distribution of significant suppliers representing approximately 95% of annual expenditure

Policies and Procedures

Halma has a culture of openness, integrity and accountability. We require our employees to act fairly in their dealings with fellow employees, customers, suppliers and business partners. We are committed to preventing modern slavery and human trafficking in our operations and in our supply chains. The Group has a range of policies and procedures which mitigate the risk of modern slavery.

1. Modern Slavery Act Policy

Halma has created a policy for all businesses within the Group, in order to promote a culture of awareness and best practice on Modern Slavery. This policy is important as it encourages a consistent approach to modern slavery prevention across our de-centralised company structure.

The policy outlines:

- What modern slavery is, which industries are at heightened vulnerability, which countries and sectors are known to be high-risk, and which indicators should raise concerns.
- The requirements of the Act.
- Recommendations for best practice mitigation and methods for determining their operations and supply chain modern slavery risk.

All businesses are required to confirm that they have considered and reviewed this policy on semi-annual basis. Additionally, Halma conducts internal audits at the Group's businesses to monitor compliance with our policy.

2. Code of Conduct

Our worldwide Code of Conduct (Code) sets out the ethical standards that govern the activities of the Group, our employees, and business partners. The Code includes a specific provision concerning the prevention of modern slavery and human trafficking.

The provision concerning modern slavery includes:

- A clear commitment to never tolerate, or engage with those who do tolerate modern slavery, human trafficking, and other abuses of labour rights.
- An explanation of how modern slavery prevention falls within the remit of our Human Rights and Labour Conditions Policy.

The Code is available on our [website](#) and has been translated into 9 languages which include the official languages of 23 of the 24 countries our businesses operate in.

It is a Group-wide requirement that all of our employees receive, and sign to acknowledge that they have read, the Code.

3. Human Rights and Labour Conditions Policy

Modern slavery prevention falls within Halma's human rights approach to sustainability. Halma's Human Rights and Labour Conditions policy endorses the dignity and rights of all individuals as established in the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. The policy commits Halma to integrate compliance with human rights throughout the Group's activities, ensuring that human rights are respected at all times and are protected within the Halma's sphere of our influence.

The Policy includes several commitments which are key for modern slavery prevention:

- To never tolerate forced or bonded labour, and to never require employees to leave deposits or identity documents with their employer.
- To never tolerate child labour and to require all employees to be above the minimum legal working age.
- To respect any employee's right to form or join a trade union, and to never discriminate against members of trade unions.
- To ensure that employees always have the freedom to leave their employer.

Our Human Rights and Labour Conditions Policy can be found online [here](#).

4. Whistleblowing Policy

The Group has a clear whistleblowing policy and an established third-party whistleblowing service, accessible both online and by telephone, which allows employees in any of our businesses to raise concerns in confidence, anonymously (where permitted by law) and independent of their company. Our third-party whistleblowing facility is not limited to employees and can be used by anyone, including our customers and suppliers.

In order to ensure that the mechanism remains accessible and trusted by our employees, the whistleblowing policy explains how the process works, how anonymity will be preserved, and an assurance a whistleblower will not be treated negatively for raising an issue in good faith. Halma's Board reviews at each meeting the frequency and nature of reports made through the whistleblowing channel in order to ensure that it remains an effective mechanism for raising concerns and that such reports are properly investigated.

Any suspected or confirmed cases of modern slavery or human trafficking should be reported through the whistleblowing service. No suspected or confirmed cases of modern slavery have been reported to date.

Our Whistleblowing Policy can be found within our [Code](#).

5. Sale and Distribution Terms and Conditions

During 2018/19, our UK businesses updated their standard sale and distribution terms and conditions. These terms specifically include a clause on compliance with anti-slavery laws and it is one of the conditions that distributors will not engage in any modern slavery practice. Our US lawyers are also creating standard sale and distribution terms and conditions for our US businesses.

Risk Assessment

Halma is working with STOP THE TRAFFIK to prepare a modern slavery risk map of our global supply chain. The findings from this exercise will help inform any subsequent risk mitigation activities.

STOP THE TRAFFIK risk maps a supply chain by ranking each supplier on a scale of 1 to 5 based on their economic sector and country of operation. This risk ranking exercise is based on an integrated process that combines multiple open-source data-sets with proprietary data-sets and evidence from STOP THE TRAFFIK's Centre for Intelligence-Led Prevention.

Due Diligence

Our supplier due diligence activities are conducted at the business level.

Below is a summary of the steps that those businesses that meet the Modern Slavery Act threshold have taken to prevent modern slavery.

1. Apollo

Apollo's commitment to respecting human rights and preventing modern slavery is outlined in its supplier handbook which is sent to all suppliers. This handbook clearly states that all Apollo suppliers are required to comply with modern slavery laws and respect human rights, and that failure to do so could void supplier agreements.

All suppliers are assessed annually for a variety of risk variables, including modern slavery prevention. Risk factors such as suppliers' country of operations, membership to the Responsible Business Alliance, and company Modern Slavery Statements are all assessed. When a supplier is perceived to be high-risk for modern slavery, full on-site audits are carried out. Apollo will use STOP THE TRAFFIK's risk mapping process to inform its annual supplier assessment.

2. BEA

All of BEA's suppliers are required to complete an evaluation survey annually - which includes a question on compliance with the Modern Slavery Act.

All new suppliers are audited before commencing any business and BEA's quality and purchasing teams continue to regularly visit and audit suppliers. These audits review working conditions, the working environment, worker safety and labour conditions.

3. Crowcon

Crowcon conducts a preliminary modern slavery risk assessment on all its suppliers. This risk assessment is based upon geography, the commodity being purchased and the nature of the transaction.

In 2018/19, Crowcon has continued to audit and assess all of its key suppliers. Crowcon's supplier quality manager has visited the majority of suppliers that are located in high-risk countries according to the Global Slavery Index. All core suppliers have been required to complete a supplier quality audit questionnaire - which includes questions on preventing modern slavery and vetting sub-contractors and suppliers.

Crowcon plans to refresh its code of conduct agreements with its suppliers and also send updated supplier questionnaires which include questions regarding their suppliers' modern slavery risk so that the tier two supply chain can be assessed for high-risk activities.

4. Texecom

This is the first year that Texecom has qualified for reporting under the Modern Slavery Act. Texecom has complied with Halma's Modern Slavery Act policy and all members of the Board have undertaken online modern slavery act compliance training. The findings from STOP THE TRAFFIK's risk mapping will help to identify any high-risk suppliers and prioritise mitigation activities.

5. MediceL

This is the first year that MediceL has qualified for reporting under the Modern Slavery Act. MediceL has updated its supplier quality agreement by adding a provision which requires suppliers to comply with the Modern Slavery Act. In addition to the quality agreement, MediceL has issued an updated Supplier Labour Standard Assurance Questionnaire to all its suppliers. This questionnaire asks questions such as the number of migrants they employ, if there is a worker’s representative and the steps that have been taken to mitigate risk - such as labour standards policies and informing staff of their rights. Every new or existing supplier based in a country with a perceived high prevalence of modern slavery is being audited.

6. CenTrak

This is the first year that CenTrak has qualified for reporting under the Modern Slavery Act. As a first step, CenTrak has designed a supplier questionnaire which will establish each supplier’s operations and supply chain risk. This questionnaire includes questions which review: the policies and procedures the suppliers have introduced to mitigate their risk; how they manage their own supply chain risk; and what awareness training the supplier has conducted.

Training

During 2017/18, Halma launched online modern slavery awareness training in partnership with VinciWorks. Senior management, subsidiary board directors and other relevant employees are automatically enrolled on this course. To date, over 1,200 employees have successfully completed this online compliance training which covers:

- What modern slavery is and which groups are at heightened vulnerability.
- How modern slavery affects UK companies and what are the legal implications.
- How to identify high-risk suppliers and operations.
- How to identify cases of modern slavery and how to report concerns.

Compliance Statement

As Group Chief Executive, I will continue to lead this important agenda for our Halma and our Group and will report annually on the steps that we have taken and will be taking to prevent modern slavery.

A copy of this Statement is available on the Company's website at www.halma.com and also at the Modern Slavery Registry which is maintained by the Business & Human Rights Resource Centre.

This statement was approved by the Board of Halma and signed on its behalf by:

Andrew Williams
Group Chief Executive
25 July 2019