



Introduction

This statement sets out Xtrac Ltd.'s actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year 1 October 2015 to 30th September 2016, and is published on behalf of Xtrac Ltd. and its subsidiaries.

Xtrac Ltd. recognises that it has a responsibility to take a robust approach to slavery and human trafficking, and is absolutely committed to maintaining and improving systems and processes to prevent slavery and human trafficking related to our own operations and that of our supply chain.

Our business

Xtrac is the world's leading manufacturer of motor racing and specialist transmission solutions with over 300 employees located in the UK and US. The company has its head office in the UK at Thatcham, Berkshire and regional facilities in the US located in Indianapolis, Indiana and Mooresville, North Carolina.

Our Supply Chain

Our supply chain comprises the engagement of sub-consultant and subcontractor organisations to carry out works and services on our sites, as well as the sourcing of processes, materials and manufactured products. We play an active role in supplier development and have adopted various means to clearly communicate our expectations of our suppliers.

The relationship with many of our suppliers has been established over a number of years and is built upon mutually beneficial factors, where we have close links and contact with the owners or directors, typically reflecting the fact that we partner with small and medium sized operations in the main.

As and when we appoint new contractors or suppliers, we pre-qualify any new business through a series of due diligence measures, relating to company performance, HS&E compliance and references to establish that they are suitable.

Supply Chain Due Diligence process

As part of our initiative to become world class in all we do, we strive to build long standing relationships with our suppliers, sub-consultants and subcontractors and make clear our expectations of business behaviour. We have systems in place to;

- Identify and assess potential risk areas when considering taking on new suppliers and regularly review our existing supply chains.
- Conduct supplier audits or assessments and take steps where required to improve substandard suppliers' practices, including providing advice to suppliers;
- Invoke sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship.

Through strategic continuous improvement, additional processes will be implemented to mitigate the risk of slavery and human trafficking occurring in our supply chains. We are proposing the following actions to engage with our supply chain on this matter:

- Through the use of questionnaires and compliance statements to request our supply chain communicate to us the status of their own adherence to the Modern Slavery Act 2015.
- Where necessary it may be appropriate to take further steps to ascertain the adherence to this legislation. If required, risk assessments will be carried out to determine the topics required to be covered by this further audit and how stringent it would need to be.
- A set of key performance indicators will be implemented to track the progress through the supply chain audit. These will be reviewed and enhanced as appropriate.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Xtrac Values Guide reflects our commitment to acting ethically and with integrity in all our business relationships. Our recruitment policy reflects our commitment to using regulated recruitment agencies and to comply with the Immigration, Asylum and Nationality Act 2006, ensuring staff are entitled to work in the UK and not doing so illegally and under duress.

Training

We have zero tolerance to slavery and human trafficking and to maintain awareness and ensure a high level of understanding of the risks of modern slavery and human trafficking in our business this statement is available on the Intranet to all staff.

We will implement specific training on this legislation for all appropriate procurement staff, and issue related communication to all those who have the authority to engage with suppliers and purchase items on behalf of Xtrac Ltd. New staff will be introduced to these new policies during their company induction process.

We appreciate the need to raise awareness of modern slavery issues, and this annual statement is the platform for this development.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 2016.



Adrian Moore
Managing Director

September 2017