



EXOVA GROUP

MODERN SLAVERY TRANSPARENCY STATEMENT 2016

Introduction

This is the Modern Slavery Transparency Statement of Exova Group plc and all other relevant group companies (**Exova**) for the financial year ending 31 December 2016¹. This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the **Act**).

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

About Exova

Exova is a leading provider of laboratory-based testing, certification and advisory services. Headquartered in the UK, Exova operates an international network of laboratories and offices throughout Europe, the Americas, the Middle East, Asia and Asia Pacific and carries out work for customers throughout the world. The business relies on the services of over 4,200 global experts operating from 135 laboratories and offices in 33 countries. Exova provides technically demanding laboratory-based testing, calibration and related services to a wide range of end customers across 11 key customer sectors: Aerospace; Calibration; Construction; Defence; Environmental; Fire, Building Products and Certification; Food; Industries; Oil & Gas; Pharmaceuticals; and Transportation.

As a global business operating in 33 countries, Exova is committed to conducting its business in a socially responsible manner, respecting the needs of its customers, employees, investors, and other stakeholders. Our reputation, together with the trust and confidence of those stakeholders, is one of our most valuable assets and we strive to maintain the highest ethical standards in all our business activities.

Risk assessment and review of Exova's supply chains

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

¹ This statement sets out the steps taken by Exova Group plc and Exova (UK) 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.

Modern Slavery being connected to those supplies. Exova is therefore taking the steps noted below which are focused on reducing Modern Slavery risk in those areas.

Policies and procedures

In the financial year ending 31 December 2016, Exova's policies and procedures for combatting Modern Slavery included:

- adopting a **Modern Slavery Policy**. This is available at <https://www.exova.com/media/696600/ex-g-cr-x-x-sop-26678-modern-slavery-policy.pdf>. Our Modern Slavery Policy states that Exova has a zero tolerance approach to Modern Slavery and that the following principles apply to Exova’s business and our supply chain:

Child labour	Child labour must not be used
Forced or compulsory labour	Any form of forced or compulsory labour must not be used. Workers must be free to leave employment or work after reasonable notice
Passports and employee documentation	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)
Debt bondage	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
Minimum wage	Compensation and benefits must comply with local laws relating to minimum wages, overtime hours and other benefits
Freedom of association	The formation of trade unions and powers of collective bargaining should be respected

- carrying out an initial **Modern Slavery Risk Assessment**. This was developed with input from an external consultant. Personnel from Exova's procurement, finance, legal, HR and management teams were involved in the risk assessment exercise. The risk assessment focused on any exposure to migrant labour and recruitment agents in higher risk jurisdictions and also considered Exova's wider supply chain. Following the assessment, Exova has conducted follow-up meetings with procurement departments;
- adopting a **Supplier Code of Conduct**. This is available at <https://www.exova.com/media/697671/ex-g-cr-x-x-sop-26701-exova-supplier-code-of-conduct.pdf>. The Supplier Code of Conduct sets out details of the behaviours and principles we expect our 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;
- Exova's supplier **due diligence processes** in its European and Americas Shared Service Centres have been enhanced and new suppliers are now considered from a Modern Slavery perspective prior to being engaged;
- Exova's **Standard Terms of Purchase** used in the UK, United States, Canada and the UAE (covering its main Shared Service Centres) have been updated and now include requirements in respect of Modern Slavery; and
- **updates/training** in relation to the Act have been given to the Board and Executive Committee. A session in relation to the Act was also included in the Exova Leadership Team webinars in October 2016 to make colleagues aware of the requirements of the Act and the steps being taken by Exova.

Further steps to prevent Modern Slavery in our supply chains and assessment of our effectiveness in preventing Modern Slavery

During the financial year ending 31 December 2017 and before publication of this statement, Exova's Modern Slavery Policy was communicated to a number of its more significant suppliers, selected recruitment agents, facilities management service providers and some suppliers that operate in countries which are perceived as being higher risk from a Modern Slavery perspective. Before the end of the financial year ending 31 December 2017, Exova intends to take additional steps including specific Modern Slavery training and further developing reporting and whistleblowing procedures in respect of Modern Slavery. In order to assess the effectiveness of the measures taken by Exova we will be reviewing a number of

key performance indicators and reporting on them in future Modern Slavery Transparency Statements. These will include staff training levels, particularly of those working in procurement roles, and steps taken to ensure our higher risk suppliers are aware of and meet our requirements in relation to Modern Slavery.

This statement was approved by the Boards of Exova Group plc and Exova (UK) Limited.

Signed

A handwritten signature in blue ink, appearing to read 'Ian El-Mokadem', with a large, sweeping flourish above the name.

Ian El-Mokadem

Chief Executive Officer

Exova Group plc

27 February 2017