

## **Morgan Advanced Materials plc**

### **Modern Slavery Act - Transparency Statement**

This Statement relates to Morgan Advanced Materials plc and its subsidiaries (together referred to as 'Morgan' or the 'Morgan Group') for the financial year ended 31 December 2019 and covers the period up to publication.

#### **About Morgan Advanced Materials**

Morgan is a global advanced materials company. We work in the electronics, energy, healthcare, industrial, petrochemical, transport and security & defence markets.

#### **Countries of operation and supply**

We manufacture in 30 countries and sell into over 100, with our global team of around 8,600 employees.

#### **Responsibility and Accountability**

The Group is committed to conducting business legally, ethically and with integrity wherever we operate. Morgan employees are considered responsible for having due regard for human rights, in particular:

- The Board of Directors has responsibility for ensuring that human rights considerations are integral to the way in which existing operations and new opportunities are developed and managed
- At the centre of the Morgan Leadership Behaviours is 'Always Working Safely, Ethically and Inclusively'. Directors, business leaders, managers and supervisors should provide visible leadership that supports human rights
- All employees, contractors and consultants are responsible for ensuring that their own actions do not impair the human rights of others.

#### **Policies and Practice**

The Morgan Code of Business Conduct, launched in 2018, is a series of principles supported by a set of policies and guidelines that set out how Morgan's people should conduct themselves on a daily basis. This includes treating our people fairly and ensuring that our suppliers operate in a responsible way and that their workers are safe and also treated fairly.

The Group's Policy Manual contains the policies which support the Morgan Code. A number of policies specifically address awareness of ethical conduct including:

- Ethical Trading Policy
- Human Rights Policy.

The Group Policy Manual and related guidelines are available in 13 languages and oblige employees to operate in accordance with applicable laws and regulations. The policies also apply, where appropriate, to Morgan's business partners including agents, joint ventures and third-party representatives.

We respect the right of freedom of association and support employee engagement, representation and dialogue through open forums.

### **Exposure to slavery and human trafficking**

We are continuing to review the exposure of the Morgan Group to slavery and human trafficking risk, taking into account:

- We operate in a small number of countries with a reputedly high prevalence of modern slavery (as reported by third-party external sources including the Global Slavery Index).
- Our facilities in these countries, including joint ventures, are required to adhere to minimum standards in terms of employee rights and working conditions as set out in Morgan's Group policies
- Due to the highly-skilled nature of the activities undertaken by our people, our exposure to low-skilled and temporary employees is reduced
- We have procurement policies in place in relation to the sourcing of raw materials and other large volume supplies and we assess our exposure to modern slavery within the supply chain as relatively low. Due to the nature of our products which rely on high-grade and specific raw materials, we form long-term partnerships with selected, tested suppliers and conduct rigorous due diligence before engaging new suppliers. In relation to large volume supplies (PPE, packaging), we source from reputable companies and require certification and transparency of provenance.

### **Supply chain due diligence and verification**

We have prepared standard terms and conditions for contracts with suppliers subject to English law. These include a requirement for the contracting party to confirm that they comply with Morgan's Code of Conduct and take steps to eliminate modern slavery from their operations. Over time, these standard terms will be replicated for contracts with suppliers in other jurisdictions, commencing with suppliers in the United States.

We plan to standardise and extend the use of new supplier questionnaires, currently deployed in parts of Morgan's business, to cover the majority of new suppliers and include a question on the supplier's policies and practices in relation to identifying and preventing modern slavery.

In due course, we will develop a Supplier Code of Conduct to be issued to all new suppliers.

### **Employee engagement and training**

Building on the publication of the Morgan Code in 2018, we conducted a programme to re-publicise the methods available for our employees to 'speak up' to report issues of concern or incidences of breaches of the Code or unethical behaviour. This included re-publicising the contact details for the independent ethics hotline administered by a third-party.

During 2018, we introduced a programme of quarterly training on ethics and compliance for all relevant employees. The quarterly training continued throughout 2019 and into 2020, covering key aspects of the Code. We have shared examples of ethical dilemmas to facilitate discussions on ethical behaviour with employees. By actively engaging our people to talk about ethical behaviour we can demonstrate that everything we do in Morgan has our Code at the core.

In late 2019, we relaunched a revised suite of Group policies which are contained in the Group Policy Manual. Relevant employees received training on the Group Policy Manual, followed up with training on specific policies, for example, the Anti-Bribery and Corruption Policy and accompanying manual.

The following is scheduled to be introduced during 2020:

- Inclusion of an overview of ethical policies in the induction programme for new employees
- Specific training on modern slavery for Morgan's procurement professionals.

#### **Effectiveness and Performance Review / Indicators - Audit and Certification**

Our businesses certify their compliance with Morgan Group policies on an annual basis, reporting any exceptions. Any instances of non-compliance with our existing policies are assessed on a case-by-case basis and remedial action is taken as required.

We actively encourage our employees to raise any concerns or suspected breaches directly through line management or our HR function. Should employees wish to do this confidentially, they may raise any concerns or suspected breaches of the Morgan Code of Business Conduct through the externally facilitated whistleblowing hotline which investigates reports on an anonymous basis where local laws allow.

#### **This Statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015.**

This Statement sets out the steps taken by Morgan Group to seek to ensure that there are no incidents of modern slavery within Morgan's business and its supply chain, in accordance with the UK's Modern Slavery Act 2015. It has been reviewed and approved by the Board of Directors.



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Signed by

**Pete Raby**

**Chief Executive Officer**

For and on behalf of Morgan Advanced Materials plc