

Morgan Advanced Materials plc

Modern Slavery Act - Transparency Statement

This Statement relates to Morgan Advanced Materials plc and its subsidiaries, including Morgan Technical Ceramics Limited, (together referred to as 'Morgan' or the 'Morgan Group'), for the financial year ended 31 December 2021 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 approximately 25 countries and sell into over 100, with our global team of around 8,000 employees.

Responsibility and Accountability

The Morgan Group is committed to conducting business legally, ethically, and with integrity wherever we operate. We do not condone any form of slavery, forced or compulsory labour, or human trafficking in our operations. 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 the principle: '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 Conduct ('Morgan Code'), launched in 2018, is a series of principles supported by a set of policies and guidelines that set out how Morgan's employees should conduct themselves on a daily basis. This includes treating our employees fairly and ensuring that our suppliers operate in a responsible way and that their workers are safe and treated fairly.

The Morgan Group's Policy Manual contains the policies which support the Morgan Code. A number of policies address human rights and modern slavery, including:

- Ethical Trading Policy
- Conflict Minerals Policy
- Speak Up Policy

- Human Rights Policy

The Morgan 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.

Review of 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 employees, we believe that 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

A Supplier Code of Conduct was published on our website in 16 languages during 2021. The Supplier Code of Conduct defines the minimum standards that must be met by our suppliers, vendors, subcontractors, and contract manufacturers and requires they extend these minimum standards to participants in their supply chains. The minimum standards cover a range of topics including treating people fairly, health and safety, obeying the law, prohibition of corruption, and conflict minerals. We have started rolling out the Supplier Code of Conduct in parts of the Morgan Group and plan to continue this roll-out, along with training, for those who are involved in its implementation.

We have prepared standard terms and conditions of purchase. These include a requirement for the contracting party to confirm that they comply with Morgan's Supplier Code of Conduct and take steps to eliminate modern slavery from their operations. The standard terms have been introduced in the Thermal Ceramics business in Europe, and implementation continues across Asia and the Americas. These standard terms will continue to be rolled out in other businesses and regions.

In 2021, we developed an online Environmental, Social and Governance (ESG) Questionnaire. This will be rolled out in phases to Morgan Group's top tier suppliers, where our annual spend is £500k or greater, through our third party management system in 2022. The ESG Questionnaire is designed to help us understand the programs and policies of our top tier suppliers across several areas with a significant focus on human rights and worker protection.

Employee engagement and training

Our programme of quarterly training on ethics and compliance for all relevant employees continued throughout 2021, covering key aspects of the Morgan Code and continued to reach high completion rates of 98% or greater. As part of Ethics Week in early 2022, we shared examples of ethical dilemmas to facilitate discussions about ethical behaviour with employees. By actively engaging our employees to talk about ethical behaviour we can demonstrate that everything we do in Morgan has the Morgan Code at its core.

In 2021, a Supplier Committee was formed with representation from the supply chain functions within each of the Morgan Group's business units. The Committee oversaw development of the Supplier Code of Conduct during 2021 and continues to meet routinely to plan and implement improvements to the Morgan Group's responsible procurement practices.

Specific training on modern slavery for Morgan's procurement professionals was provided in June 2021. We are considering additional training as part of routine risk-based training planning.

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. Further, to underpin our commitment to upholding the Morgan Code, since May 2021, all senior employees have been required to certify annually that they have read, understood, and comply with the Morgan Code and the supporting policies relevant to their role.

We actively encourage our employees to raise any concerns or suspected breaches of the Morgan Code directly to the central Ethics & Compliance team, through line management, or to our HR function. Further, we continue to maintain a confidential ethics helpline operated by an independent third party enabling anyone to report a suspected violation of our policies or the law. The Morgan Group's employees are made aware of the ethics helpline through the Morgan Code, Morgan Group Policy Manual, the Group Ethics and Compliance intranet site, and posters displayed at each Morgan site around the world. Our Supplier Code of Conduct encourages suppliers to use the same ethics helpline if needed. We plan to continue promoting the ethics helpline and emphasise the importance of speaking up, because we believe it helps Morgan Group's management to consider any potential problems in the business and to strengthen our ethical culture.

All reports of a suspected violation of policy or law are investigated. Reports are reviewed each month by the Morgan Group's CEO, CFO, General Counsel, Ethics & Compliance Director, Head

of Internal Audit and Group HR Director. The Audit Committee of the Board of Directors reviews all reports and the outcome of investigations at each meeting.

In 2021, no incidents of human rights abuse or modern slavery were identified through the ethics helpline or via the Ethics & Compliance team.

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

This Statement sets out the steps taken by the 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

June 13, 2022