



Introduction from the Executive Chairman

We are committed to improving continuously our existing practices to combat slavery and human trafficking. We study and follow Government and other reports and guidance, latterly the Independent Review of the Modern Slavery Act, conducted by Baroness Elizabeth Butler-Sloss, Maria Miller MP, chaired by Rt Hon Frank Field MP which reported to Parliament in May 2019. We will continue to keep under review and amend our trading documents and practices to: (i) help identify risk, (ii) reduce it wherever possible and (iii) procure appropriate commitments from customers and those in our supply chain.

Organisation's structure

We are the parent company of the Hexadex group of companies (Group). The Group has over 1,200 employees worldwide and operates in Europe, North and Latin America and Asia, including the Indian sub-continent. The Group has a global annual turnover projected to exceed £130M in the financial year ended December 2019.

Our business

Our business operates through five active subsidiary companies, the boards of directors of which have each adopted this statement. The subsidiaries are:

- Teconnex Limited (CRN: 1447529), a manufacturer of clamps and fasteners which operates from the UK (as itself and also via a subsidiary, Bellows Technology Ltd, CRN: 076003963) and via a joint venture company based in Hong Kong with a wholly owned subsidiary in mainland China, also via subsidiary operations in Mexico, in Romania, and in India.
- EminoX Limited (CRN: 1349209), a manufacturer of exhaust and emission control systems for commercial vehicles based in the UK but with a joint venture operation in China and a global customer base.
- Ceramex Limited (CRN: 05202141) which cleans diesel particulate filters used on both commercial vehicles and passenger cars; it is based in the UK but also operates via a joint venture mechanism in the states of Delaware and Missouri each a state of the United States of America, along with Japan.
- Hooton Engineering Limited (CRN: 04125393) a fabrication business based in the UK, specialising in stainless steel products and systems.
- CWM Automation Limited (CRN: 05893689) a business based in the UK which specialises in design manufacture and production of automated machinery, which also operates in the USA and in Australia.

Our supply chains and customers

Our supply chains predominantly originate in Europe, where raw materials and proprietary components are purchased from suppliers of repute. Our supplier evaluation procedure requires audit and approval of potential new suppliers before purchases are made. During 2016, we introduced revised supplier audit procedures intended to ensure that all new suppliers (regardless of turnover) either agree to comply with the provisions and spirit of the 2015 Act, or if smaller than that by which a statement is mandatory, to adopt and ensure best practice nonetheless. During 2017, we suggested to our customers who impose compliance obligations under the Act on us contractually that these provisions should be reciprocal. During 2018 and

2019 we considered the extent to which our efforts may be enhanced by joining charitable or business led initiatives which combat slavery and human trafficking: as a result in April 2019 we joined the Slave Free Alliance as founder members. Supply chain performance and effectiveness and workforce protection, along with strategic progression has been subject to the charity's self-audit process. Corrective actions will be addressed during 2020.

Our policies on slavery and human trafficking

We are committed to ensuring there is no modern slavery or human trafficking in our supply chains or in any part of our business. We continue to be particularly vigilant for evidence of labour abuse of eastern Europeans, Mexicans or those with whom we engage in the Indian sub-continent - potentially the greatest areas of risk in our operations.

Due diligence processes for slavery and human trafficking

To identify and mitigate risk we will aim to put in place and maintain systems to:

- Identify and assess potential risk areas in our supply chains and customer base.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistle blowers.
- Assess training requirements.

Risk assessment

We have identified the following four key risk criteria within the supply chain to analyse and manage risk of modern slavery and human trafficking:

- Country risk
- Sector risk : Goods and services, labour, work conditions
- Spend/transactional risk
- Business partnership risk

Measuring Effectiveness

The self-audit process undertaken as part of our Slave Free Alliance membership will help determine effectiveness of measures in place to mitigate risk and to identify new and emerging risks as they arise.

Supplier adherence to our values

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we have in place a supply chain compliance programme which consists of issuing conditions of purchase requiring counterparties to confirm their own compliance with the provisions of the Modern Slavery Act 2015. We deal only with organisations whose ethics we believe, after appropriate due diligence, reflect our own.

Training

To ensure an appropriate level of understanding about the risks of non-compliance with modern slavery and human trafficking legislation and in our supply chains and business, we will provide training to relevant staff engaged in or about procurement HR or accounting activities.

Further steps

We will continue to work with Slave Free Alliance to improve our practices and to ensure a compliance ethos is embedded in our business. 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 31st December 2019.



WILL MILLES
Group Executive Chairman

March 2020

