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## Introduction

Rotork plc, and its subsidiary companies (together, "**Rotork**"), recognise their responsibilities as a global engineering group, to ensure that slavery and human trafficking is not occurring in any part of the group's business or supply chain.

This Statement sets out the steps Rotork has taken during the 2018 financial year to ensure slavery and human trafficking is not taking place in our businesses or our supply chains.

We have a new supply chain strategy as part of our growth acceleration programme which was announced earlier this year. This includes a comprehensive review of our supply chains, with a focus on significant supply base consolidation, and the management of our relationships with our retained strategic suppliers. We are creating a central strategic sourcing team led by a new Procurement Director, whose responsibilities include ensuring our suppliers act in accordance with our ethical principles.

## Our business, corporate structure and supply chains

We design, manufacture and service actuators, flow control equipment and instruments for use across the world, in a wide range of sectors including oil and gas, power, water, mining and marine.

Rotork is headquartered in Bath, in the United Kingdom with 24 manufacturing sites, 65 national offices, and 83 regional locations in 37 countries. We have a workforce of more than 3,800 employees and engage with more than 4,000 global suppliers.

## Group policies

Our ethical principles are contained in our Ethics and Values Statement. It includes specific reference to the UK Modern Slavery Act and related offences, and requires adherence to the United Nations Global Compact's ten universal principles which include the elimination of all forms of forced and compulsory labour. Our employees, and those we do business with, are required to comply with the Ethics and Values Statement. During 2019, we will be publishing a comprehensive code of conduct for our staff which will replace our Ethics and Values Statement.

We have updated our Whistleblowing Policy in the last year and implemented the internal reporting structure, which we developed in the previous year, to ensure that all reports are dealt with efficiently, effectively and consistently.

## Modern slavery in our business

Our operations directors and other senior managers visited our locations around the world during the year. No potential modern slavery issues, or indicators of such issues, were identified at any of our locations. However, we are conscious that we need to guard against complacency and remain diligent in this regard.

We are therefore reviewing how we make sure we are effective in looking for the signs of potential slavery and human trafficking, and how we ensure such behaviour does not occur in our business. This includes consideration of how we might use other risk compliance functions, such as the 60 worldwide safety audits we undertake per year, to increase our understanding of the risks and potential issues in the business.

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## Our supply chains

As previously reported, we have a significant global supply chain for goods and services that supports our businesses around the world. We continue to have suppliers in countries that are identified, in the Global Slavery Index, as high risk.

The review of our supply chains will include consideration of whether each supplier is aligned with our ethical values. The strategic suppliers that are retained are likely to be larger companies with comprehensive policies and procedures already in place for corporate social responsibility.

## Risk assessment and due diligence

We previously indicated that, consistent with the UK Government guidance on the Modern Slavery Act, we were considering a review of the country, sector, transaction and business partnership modern slavery risks to help Rotork to better understand and appropriately target any modern slavery risks in our supply chains. As mentioned above, we are in the process of reviewing all of our suppliers and part of this assessment will focus on modern slavery risks. We will begin by focusing risk assessments on suppliers with enhanced risk profiles, such as the country they are based in and our risk assessment will incorporate learnings gained through the supplier survey conducted previously.

As part of the review and ongoing development of our supplier relationships, we will specifically assess the slavery and human trafficking risks arising from each such relationship and identify appropriate steps to address those risks which may, for example, include placing appropriate contractual obligations on suppliers, working with the supplier to make improvements or ceasing to work with a supplier entirely.

## Monitoring

During 2017, we implemented a new system for the ongoing online monitoring of third parties against various lists, records and media sources. The strategic suppliers retained following the review process, will be continuously monitored on this system for any ethical issues. There will also be quarterly business reviews, with follow up audits where necessary. The reduction in the number of suppliers will make monitoring much easier.

## Legal compliance

We continue to require our suppliers to comply with the laws and regulations applicable to them and to meet minimum standards in relation to modern slavery, human rights, anti-bribery and corruption, employment practices, health and safety and the environment. We also expect our suppliers to check that their sub-suppliers comply with the laws and regulations applicable to them and meet the same minimum standards.

The requirements described above are set out in our Supplier Code of Conduct that we introduced last year. Also in 2017, we published updated UK standard terms and conditions of purchase requiring our suppliers to comply with the Supplier Code of Conduct. This year we have translated the Supplier Code of Conduct into 6 other languages and the UK standard terms and conditions of purchase have been amended so they can be used in a further 10 jurisdictions.

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As part of the supply chain strategy, we will be putting in place long term supply agreements with our strategic suppliers which reference our Supplier Code of Conduct and include rights of audit and other monitoring arrangements.

## **Training**

Our modern slavery training course is being rolled out to our procurement teams and others who are involved with our supply chains. In 2019, following our risk assessment, we will consider rolling this out more broadly to our employees to raise further awareness on modern slavery.

## **The Modern Slavery Act – Transparency in Supply Chain statement**

This statement is made on behalf of Rotork plc and its subsidiary companies, including Rotork Controls Limited and Rotork UK Limited, in accordance with the obligation to make a modern slavery statement (Statement) under s54(1) of the Modern Slavery Act 2015.

This statement has been approved by the boards of Rotork plc, Rotork Controls Limited and Rotork UK Limited.

Kevin Hostetler  
Chief Executive Officer  
January 2019