

# Modern Slavery Act

## Transparency Statement 2019

Diploma PLC supports fully the principles and provisions set out in the Modern Slavery Act ("the Act").

The Board of Diploma PLC is committed to identifying Modern Slavery risks across its businesses and supply chain which include, slavery, human trafficking, child labour and forced/compulsory labour (together "Modern Slavery") and to ensuring that there is no Modern Slavery either within its businesses or within its principal supply chains.

Regulatory demands upon Diploma PLC and its subsidiaries (the "Group") vary considerably around the world and as a decentralised set of businesses, the Board has allocated responsibility to local senior management teams, under the direction of a member of the Executive Management Committee, to ensure that each trading subsidiary is fully compliant with both the Modern Slavery Act and any applicable local anti-slavery requirements.

### **Our business and structure**

Diploma PLC is an international group of businesses supplying specialised technical products and services to the Life Sciences, Seals and Controls industries. The Group employs ca. 2,100 employees and its principal operating businesses are located in the UK, Northern Europe, North America and Australia.

The Life Sciences businesses supply a range of consumables, instrumentation and related services to the healthcare and environmental industries. The Seals businesses supply a range of seals, gaskets, filters, cylinders, components and kits used in heavy mobile machinery and specialised industrial equipment. The Controls businesses supply specialised wiring, cable, connectors, fasteners and control devices used in a range of technically demanding applications.

Further information on Diploma PLC and its businesses are set out in the Annual Report & Accounts which is published on the Company's website: [www.diplomaplc.com](http://www.diplomaplc.com)

### **Our approach to the Act**

The Group has a culture of openness, integrity and accountability and requires that employees act fairly in their dealings with all stakeholders, including customers, suppliers, fellow employees and business partners. Diploma confirms that none of its businesses are involved in Modern Slavery.

The Group does not generally operate in markets/sectors that present a higher risk of Modern Slavery. It continues to review and develop its policies and procedures to specifically highlight Modern Slavery.

In 2017, Diploma first completed a Group-wide review of principal suppliers designed to ensure that none of its suppliers were involved in Modern Slavery. These suppliers are largely based in countries with a lower risk of Modern Slavery and in many cases are international groups of businesses with their own commitment to prevent Modern Slavery. This review is now carried out on an ongoing basis, with targeted audits and visits to suppliers. No instances of non-compliance with the Group's Modern Slavery policies have been identified to date.

The Group's businesses continue to carry out due diligence on existing suppliers, and prior to engaging with major suppliers, due diligence and vetting procedures are carried out to ensure that suppliers meet the Group's required standards. The Group businesses have adopted a risk-based and proportionate approach to assess the risk of Modern Slavery among major suppliers, based on country of manufacture of goods procured. Where a potential new supplier fails to meet the Group's policy in relation to Modern Slavery, the Group will not work with these suppliers until they have amended their policies appropriately to meet the Group's standards.

The Group businesses have developed and circulate Codes of Conduct ("Codes") to their suppliers. These Codes include commitments by the businesses to counter modern slavery and require the same commitment of major suppliers. Some Group companies have demonstrated updates to their contract terms to counter modern slavery.

Businesses acquired by the Group have been informed of the Modern Slavery Act Statement 2018 and will have commenced due diligence on principal suppliers.

The Group HR Director has implemented additional employment procedures for Group businesses to minimise the risk of Modern Slavery by applying a minimum set standard in the recruitment process designed to meet the Group's Policy on Modern Slavery.

In addition, the Group operates a "whistleblowing" policy through an established independent third-party whistleblowing hotline, which allows employees in any of the Group's businesses to raise concerns confidentially, anonymously (where permitted by law) and independent of their business in relation to any concerns, including Modern Slavery.

The Chief Executive Officer will continue to lead this important agenda for the Group and Diploma PLC will report next year on further steps that have been taken in the current year to maintain robust policies on Modern Slavery.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Diploma Group's modern slavery statement for 2019.

This statement was approved by the Board of Diploma PLC and signed on its behalf by:

Johnny Thomson  
Chief Executive Officer  
Diploma PLC

23 March 2020