

FLOWTECH FLUIDPOWER PLC ANTI-SLAVERY AND HUMAN TRAFFICKING STATEMENT

1. INTRODUCTION FROM THE BOARD

- 1.1 This statement sets out Flowtech Fluidpower Plc and its subsidiaries' (together "**Flowtech**") actions to understand all potential modern slavery risks in relation to its business and to put in place steps aimed at ensuring that there is no slavery or human trafficking in its business and supply chains. This statement relates to actions and activities during the financial year ending 31 December 2018.
- 1.2 Flowtech has fostered and continues to foster an organisational culture that respects dignity and human rights. We believe that conducting business with high ethical standards is fundamental to this culture.
- 1.3 Flowtech recognises that the respect for human rights is an integral part of its social responsibility and Flowtech recognises that it has a responsibility to take a robust approach to slavery and human trafficking. Flowtech is subject to the requirements of the Modern Slavery Act 2015 and we are committed to ensuring that no modern slavery takes place within our organisation. We are committed to preventing workers from being subjected to modern slavery in our supply chains and within the businesses of our partners and affiliates.
- 1.4 We are committed to continuous improvement in relation to our practices to combat slavery and human trafficking.
- 1.5 Our respect for human rights is implicit in our employment practices; the rights of every employee is treated with dignity and consideration. We do not use child labour, nor do we use forced labour. We make regular supplier visits to ensure our supply chain maintains the same standards of integrity and is free from modern slavery.

2. ORGANISATION'S STRUCTURE

- 2.1 We are a leading specialist in fluid power products and solutions. Through hydraulics, pneumatics and associated industrial products, we focus on moving liquid, gas or air to generate power which keeps industry moving. Flowtech provides total fluid power solutions, delivering technical products, design, manufacturing services, maintenance and support to distributors, equipment manufacturers and industrial users across the UK and overseas.
- 2.2 Flowtech has over 600 employees worldwide and with sites across the UK, ROI, Benelux and China, we have a market presence internationally.
- 2.3 There are currently eighteen profit centres within the Flowtech Group and the Group is continuing to expand. The Flowtech Group has an annual turnover of £111 million.

3. OUR BUSINESS

- 3.1 Our business is currently organised into three divisions:
 - 3.1.1 Flowtechnology (distribution) - Supply urgently required components for maintenance, repair and overhaul (MRO) market for use in all industrial applications. Route to market through industry catalogues and ecommerce.
 - 3.1.2 Process - Supply, install and commission high-quality valves, actuation, specialist pipework and leak detection, predominantly to end users in processing, packaging and infrastructure sectors.

- 3.1.3 Power Motion Control (PMC) and Onsite Services - Supply specialist technical components and design, build, install and service hydraulic systems for original equipment manufacturers (OEMs) across many manufacturing industries.

4. OUR SUPPLY CHAINS

- 4.1 Our supply chains are concentrated in the Far East and Europe. We make regular supplier visits to ensure our supply chain maintains the same standards of integrity and is free from modern slavery. Our Chinese suppliers are visited on a regular basis by a dedicate team based in Shanghai.

5. OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

- 5.1 Our approach to tackling the issue of modern slavery will inevitably evolve over time. However, we are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Anti-slavery and Human Trafficking Policy will be developed in the future which reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

6. RISK ASSESSMENT AND DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

- 6.1 Flowtech also makes regular visits to suppliers in our supply chain to ensure that our supply chain adheres to the same principles and standards as Flowtech.
- 6.2 Going forwards, we intend to work with our suppliers and our partners and affiliates to assist them in identifying any areas of risk in their own supply chains and to mitigate the risk of modern slavery occurring.

7. RESPONSIBILITY

- 7.1 Responsibility for Flowtech's anti-slavery and human trafficking initiatives lies with the following individuals/functions:

- 7.1.1 The initiative is led by the Corporate Governance department for implementation by the Group Procurement & Supplier Development Manager in conjunction with Profit Centre Directors.

8. TRAINING

- 8.1 In order to ensure that our key staff understand and are aware of the risks of modern slavery and human trafficking and can assist us in preventing this, both in our business and in our supply chain and the businesses of our partners and affiliates, we will be providing training to representatives from our Board of Directors, Management teams, and Procurement team.
- 8.2 Flowtech remains committed to upholding human rights and safety in our supply chain and we will be reviewing our progress and effectiveness in combatting slavery and human trafficking on an annual basis.
- 8.3 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 31 December 2018.

Signed

Russell Cash

Chief Financial Officer

Date: November 2018