

SLAVERY AND HUMAN TRAFFICKING STATEMENT

INTRODUCTION FROM THE CHIEF EXECUTIVE

We are committed to improving our practices to eradicate slavery and human trafficking. As a global organisation, we have a particular responsibility in this respect and it is one we take seriously.

Our recent successes have contributed to a need for us to accelerate our programme of introducing measures and taking appropriate steps to ensure that slavery and human trafficking has no place in our organisation either directly or indirectly through our supply chain. This statement, made pursuant to section 54(1) of the Modern Slavery Act 2015 (for the financial year ending 31 August 2016), sets out further detail of the approach being taken by the SC Group to understand all potential modern slavery risks related to our business, and the actions being undertaken to mitigate such risks.

BACKGROUND TO THE GROUP

The SC Group is a global provider of bespoke design, development and engineering solutions for equipment operating in harsh environments. The Group has over 200 staff and is headquartered in the UK with operations also based in Australia. In the most recent financial year, which ended on 31st August 2016 our global annual turnover exceeded the statutory threshold of £36 million. This was a better-than-expected result, meaning that we have become subject to the requirements of section 54(1) of the Modern Slavery Act 2015 sooner than anticipated.

OUR SUPPLY CHAIN

Our supply chain is diverse and consists of suppliers (variously based in the UK and globally) of raw materials and equipment for use primarily in the defence sector but also in the nuclear, marine, emergency services and renewables sectors, as well as (to a lesser extent) suppliers of services in support of our activities in those sectors.

We also buy in a number of operational services and supplies, primarily from UK-based suppliers, to support our day-to-day business operations.

ANTI-SLAVERY / HUMAN TRAFFICKING COMMITMENT

Whilst the SC Group has not, in the past, taken any specific steps which were expressly aimed at ensuring that slavery and human trafficking were not taking place in any of our supply chains or in any part of our own business, the SC Group Board is committed to delivering high standards of corporate governance. Part of this is to ensure that the SC Group is operating in a socially responsible way. We aim to employ the highest ethical and professional standards and will always comply with all local laws and regulations that are applicable to our business.

In this context, the SC Group Board considers that the risk of the activities of modern slavery and human trafficking taking place within any of the SC Group's businesses or their activities to be low for the following reasons:

- None of the SC Group's operating businesses are located in countries where there is a high risk of these activities taking place.
- The countries where we purchase materials, goods and services are predominantly considered low risk.
- With regard to our own employees, the SC Group operates with clearly defined values and policies which treat our staff, fairly and with integrity and respect, and we make minimal use of agency labour (preferring to trust our own direct recruitment practices wherever possible).

To support our commitment, the SC Group intends to undertake the following actions:

- Updating our standard terms and conditions of purchase to include Modern Slavery Act compliance clauses which will contractually oblige our own supply chain to ensure that modern slavery / human trafficking is not occurring within their business and to oblige them to undertake their own due diligence to satisfy themselves that modern slavery / human trafficking is not occurring within their own supply chain.
- Performing risk-based supplier audits which will include specific guidance on evaluating our suppliers for indications of modern slavery / human trafficking.
- To support proper application of the Modern Slavery Act, the SC Group will also provide training to key staff (and, where appropriate, requiring our business partners to provide suitable training to their staff) aimed at ensuring a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business.

The efficacy and proper implementation of these actions will be reviewed by the SC Group Board following the end of the current financial year (as well as being considered throughout the year as necessary at Board level), with the actions being amended or supplemented as necessary.



Date:

4 May 2017