

Morgan Advanced Materials plc

Modern Slavery Act - Transparency Statement

This Statement relates to Morgan Advanced Materials plc and its subsidiaries (together referred to as 'Morgan' or the 'Morgan Group') for the financial year ended 31 December 2018.

About Morgan Advanced Materials

Morgan is a global advanced materials company. We work in the electronics, energy, healthcare, industrial, petrochemical, transport and security & defence markets.

Countries of operation and supply

We manufacture in 30 countries and sell into over 100, with our global team of around 8,800 employees.

Responsibility and Accountability

The Group is committed to conducting business legally, ethically and with integrity wherever we operate. Morgan employees are considered responsible for having due regard for human rights, in particular:

- The Board of Directors has responsibility for ensuring that human rights considerations are integral to the way in which existing operations and new opportunities are developed and managed
- At the centre of the Morgan Leadership Behaviours is 'Always Working Safely & Ethically'. Directors, business leaders, managers and supervisors should provide visible leadership that supports human rights
- All employees, contractors and consultants are responsible for ensuring that their own actions do not impair the human rights of others.

Policies and Practice

The Morgan Code of Business Conduct, launched in 2018, is a series of principles supported by a set of policies and guidelines that set out how Morgan's people should conduct themselves on a daily basis. This includes treating our people fairly and ensuring that our suppliers operate in a responsible way and that their workers are safe and also treated fairly.

Relevant policies which specifically address awareness of ethical conduct are:

- Ethics Policy
- Human Rights Policy.

These and other related guidelines are available in 13 languages and oblige employees to operate in accordance with applicable laws and regulations. The policies also apply, where appropriate, to Morgan's business partners including agents, joint ventures and third-party representatives.

We respect the right of freedom of association and support employee engagement, representation and dialogue through open forums.

Exposure to slavery and human trafficking

We are continuing to review the exposure of the Morgan Group to slavery and human trafficking risk, taking into account:

- We operate in a small number of countries with a reputedly high prevalence of modern slavery (as reported by third-party external sources including the Global Slavery Index).
- Our facilities in these countries, including joint ventures, are required to adhere to minimum standards in terms of employee rights and working conditions as set out in Morgan's Group policies
- Due to the highly-skilled nature of the activities undertaken by our people, our exposure to low-skilled and temporary employees is reduced
- We have procurement policies in place in relation to the sourcing of raw materials and other large volume supplies and we assess our exposure to modern slavery within the supply chain.

Supply chain due diligence and verification

We have prepared standard terms and conditions for contracts with suppliers subject to English law. These include a requirement for the contracting party to confirm that they comply with Morgan's Code of Conduct and take steps to eliminate modern slavery from their operations. Over time, these standard terms will be replicated for contracts with suppliers in other jurisdictions

We plan to standardise and extend the use of new supplier questionnaires, currently deployed in parts of Morgan's business, to cover the majority of new suppliers and include a question on the supplier's policies and practices in relation to identifying and preventing modern slavery.

During 2019, we will be developing a Supplier Code of Conduct which to be issued to all new suppliers.

Employee engagement and training

Building on the publication of the Morgan Code in 2018, we conducted a programme to re-publicise the methods available for our employees to 'speak up' to report issues of concern or incidences of breaches of the Code or unethical behaviour. This included re-publicising the contact details for the independent ethics hotline administered by a third-party.

During 2018, we introduced a programme of quarterly training on ethics and compliance for all relevant employees.

The following is scheduled to be introduced during 2019:

- Inclusion of modern slavery in the induction programme for new employees
- Specific training on modern slavery for Morgan's procurement professionals.

Effectiveness and Performance Review / Indicators - Audit and Certification

Our businesses certify their compliance with Morgan Group policies on an annual basis, reporting any exceptions. Any instances of non-compliance with our existing policies are assessed on a case-by-case basis and remedial action is taken as required.

We actively encourage our employees to raise any concerns or suspected breaches directly through line management or our HR function. Should employees wish to do this confidentially, they may raise any concerns or suspected breaches of the Morgan Code of Business Conduct through the externally facilitated whistleblowing hotline which investigates reports on an anonymous basis where local laws allow.

This Statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015.

This Statement sets out the steps taken by Morgan Group to seek to ensure that there are no incidents of modern slavery within Morgan’s business and its supply chain, in accordance with the UK’s Modern Slavery Act 2015. It has been reviewed and approved by the Board of Directors.



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Signed by

Pete Raby
Chief Executive Officer
For and on behalf of
Morgan Advanced Materials plc