

Full name: Modern Slavery Act 2015: slavery and human trafficking statement.

INTRODUCTION FROM THE CEO

Modern slavery is a crime and a violation of fundamental human rights.

We recognise the business benefits that diversity and equal opportunity bring and do not tolerate human rights abuses in our own operations. We also recognise our role as customer in communicating our expectations to our suppliers and working with them, where necessary, to improve their own processes. We are developing and enforcing proportionate, risk-based systems and controls designed to that ensure modern slavery is not taking place in our own business or in our supply chains with our knowledge.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

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 Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective risk-based systems and controls to ensure slavery and human trafficking is not taking place anywhere in our own business or in supply chains with our knowledge, and working to eliminate it if it is found. Responsibility for this policy sits with the Executive Leadership Team and management at all levels are responsible for compliance with it.

ORGANISATIONAL STRUCTURE

We are an international business-to-business performance materials group. We design and manufacture components which add value to, and improve the performance of, our customers' products by engineering a wide range of polymers using our own technologies to create yarns, fibres, industrial and coated fabrics and composite materials. We sell globally and manufacture in Europe, North America, the Middle East and China.

Low & Bonar PLC is the ultimate parent company of the Low & Bonar Group and has its head office in the United Kingdom. The Group has circa 2,000 employees worldwide and operates in around 20 countries. Our principal trading companies include Low & Bonar GmbH, Low & Bonar NV and Low & Bonar BV and this statement is made by and on behalf of Low & Bonar PLC and those principal trading companies. As an integrated business, we expect all parts of the Low & Bonar Group to abide by our policies on modern slavery and this statement describes our efforts as a group as a whole to combat it.

The Group had a global turnover of approximately £432 m in the year to 30 November 2018.

OUR BUSINESS

Our business is diverse and we serve many customers in many markets. We are organised into three key global business units: the newly-formed non-wovens business unit combining our

former Building & Industrial and Interiors & Transportation businesses, known as Colbond; Civil Engineering; and Coated Technical Textiles.

In previous years, we have supported these global business units from centrally-managed Group Functions including Integrated Supply Chain (including Manufacturing and Operations), Human Resources, Finance, IT, Legal, Procurement and Innovation. During 2018, we have revised this management structure and our business units are now organised on a more stand-alone basis, with operational control vested at a business-unit level. However, we also seek to maintain central oversight of minimum standards of operation. We also encourage employees at all levels to raise any concerns they may have using confidential whistleblowing hotlines.

OUR SUPPLY CHAINS

Our manufacturing processes begin with the sourcing of widely-available polymers, including polypropylene, polyethylene, polyester and nylon, together with speciality additives and colours. Our proprietary technologies then produce a range of yarns, fabrics and coated and composite high performance materials, tailored to our customers' requirements.

In the year to 30 November 2018, we spent approximately €230 m purchasing the key materials which make up our products. These materials were sourced from over 300 suppliers in 80 different categories. Our key suppliers are located across the globe, and we receive supplies from countries including Hungary, Germany, the USA, France, the United Kingdom, the Netherlands, South Korea, China and Belgium. We also have over 3,000 suppliers of other indirect products and services to the group in over 70 categories of supply. These supply chains service our 13 production sites in 8 countries and our other offices around the globe. During the year, we took steps to move from a limited number of global providers of polymers to a more diverse and local supplier base. Our global Purchasing team was also disbanded, with buyers moving to a more localised reporting structure direct to the heads of business units.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk, in 2016 we initiated a programme of due diligence, which continues to this date. This focused on the following key aspects:

- an assessment of risk from a “top down” perspective focusing on assessments of the prevalence of modern slavery in those countries in which our key suppliers operate and the existence and effectiveness of governmental responses to modern slavery in those territories using the Global Slavery Index 2014 produced by the Walk Free Foundation¹; and

¹ The Walk Free Foundation (<http://www.globalslaveryindex.org/walk-free/>) identifies itself as a global organisation with a mission to end modern slavery in our generation by mobilising a global activist movement, generating the highest quality research, enlisting business and raising unprecedented levels

- undertaking a survey of our key suppliers' individual policies and practices on these matters.

Our analysis to date leads us to believe that we are operating in a relatively low-risk environment in relation to modern slavery in our supply chains – our suppliers are based in countries with low incidence of modern slavery; and governmental response to slavery in those countries is amongst the more robust. Our particular suppliers have corporate governance policies which would lead us to expect that they would support our policy with regard to modern slavery. However, we recognise that our due diligence efforts should continue. That remains our approach for the foreseeable future.

SUPPLIER ADHERENCE TO OUR VALUES

To ensure all key players in our supply chains comply with our values we have continued to implement measures in our supply chain programme which:

- encompass specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude;
- set an expectation that our suppliers will hold their own suppliers to the same standards; and
- where appropriate and practicable, see us give support to our suppliers as they address work practices in their own business and supply chains.

Our compliance team in relation to modern slavery issues consists of representatives from the following departments: Legal Affairs; Human Resources; Procurement; and Group Finance.

We have asked our Group General Counsel and our senior Group procurement personnel to undertake overall responsibility for the day-to-day implementation of our policy, under the auspices of our Executive Leadership Team.

TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we will be making available resources to allow for training for relevant staff.

OUR EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

of capital to drive change in those countries and industries bearing the greatest responsibility for modern slavery today. The Walk Free Foundation says that it will do this by: identifying countries and industries most responsible for modern slavery; identifying and implementing with partners the interventions in those countries and industries that will have the greatest impact on modern slavery; and critically assessing its impact.

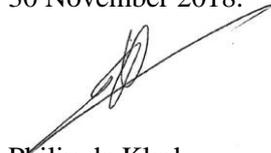
We have not set any specific key performance indicators to measure the effectiveness of our policy, but we continue to review this position as we develop a deeper understanding of how modern slavery affects our supply chain in practice.

FURTHER STEPS

Following a review of the effectiveness of the steps we have taken to date to ensure that we develop our understanding of slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking during the year ahead:

- to broaden and deepen our due diligence efforts within the structure of our purchasing teams, and to consider the implementation of a supplier relationship management package;
- to continue to support a training programme for key staff;
- to further implement our programme to include anti-slavery provisions in our supply chain arrangements as opportunities present themselves – we were able, for example, to do this in relation to our packaging tender in 2018, although the tender did not ultimately lead to a change of supplier. We have reviewed and adopted a new set of standard terms for purchasing for the group which embed these provisions in our business.

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 30 November 2018.



Philip de Klerk
Group Chief Executive