



# Modern Slavery Statement 2021

## Introduction

Rotork plc, and its subsidiary companies (together, "Rotork" and throughout this Statement "our" and "we"), recognise their responsibilities as a global engineering group, to ensure that slavery and human trafficking is not occurring in any part of our business or supply chain.

This Statement sets out the steps we have taken during the financial year ended 31 December 2021 to ensure slavery and human trafficking is not taking place in our businesses or our supply chain. It is intended to provide an update on our progress with strengthening our modern slavery risk management framework and explains the steps we aim to take in the coming year.

## Our business and supply chain

### Our business

Rotork is a market-leading global provider of mission-critical flow control and instrumentation solutions for oil & gas, water and wastewater, power, chemical process, and industrial applications. We help customers around the world improve efficiency, reduce emissions, minimise their environmental impact and assure safety.

We are headquartered in Bath, United Kingdom with 17 manufacturing facilities, 67 network offices and serve over 170 countries through a global service network. We have a workforce of nearly 3,200 employees.

### Our supply chain

Rotork's manufacturing processes are primarily assembly of purchased components, with some machining of metallic products, including late customisation to meet customer requirements.

We engage with more than 4,000 suppliers and spent £230m with external material suppliers during the year. Our supply chain networks are mainly regional, with 500 who supply more than one site, and 100 suppliers who supply a significant number of our sites internationally.

### Engaging with our suppliers

Our Global Strategic Sourcing (GSS) and Global Supply Chain (GSC) teams co-ordinate commodity specific strategies and bring consistency to our Supplier Relationship Management processes with the goal of transitioning to a supply base that enable us to be responsive to our customers while reducing our inventories and meeting high ethical and technical standards.

Our supplier selection and approval procedures consider several criteria, including Environmental, Social and Governance (ESG) pre-requisites, financial stability, supply chain and logistics, quality assurance, technical capability, and self-driven continuous improvement. The ESG elements include questions on child labour, modern slavery, bribery and corruption, and discrimination. We require our

suppliers to meet applicable legal requirements for Health, Safety and Environment. If appropriate, the selection process may involve a site visit.

Our standard contract terms require our suppliers to adhere to our **Supplier Code of Conduct**. This makes clear that our suppliers, and anyone working on their behalf, must never use compulsory or forced labour, or any other form of slavery or servitude. It also sets out our expectation that they will work diligently to ensure that their own supply chains do not use such practices. Our Supplier Code of Conduct also requires our suppliers to meet minimum standards in relation to human rights, anti-bribery and corruption, employment practices, health and safety and the environment.

As part of the review and ongoing development of our supplier relationships, we continue to assess the slavery and human trafficking risks arising from relationships and identify appropriate steps to address any risks identified. Such steps may include placing appropriate contractual obligations on suppliers, working with the supplier to make improvements/ corrective action plans, or ceasing to work with a supplier entirely.

### **Our Values, Policies and Programme**

**Our Values – Stronger Together, Always Innovating and Trusted Partner** – define the way we work. Our Values were chosen by our people and apply to everyone across our global operations. We seek to safeguard and promote these attributes, which are deeply rooted in our culture.

Our Values are embedded in our **Code of Conduct**, which was launched in 2019 and is available in our core languages. We expect everyone working for us, and with us, to follow the Code and act with integrity at all times. It includes guidance on the identification of potential modern slavery risks and empowers employees to “Speak Up” if they identify any area of concern, including concerns relating to potential modern slavery risks.

Our **Modern Slavery Policy** was approved by our Board of Directors in July 2021. The policy applies to all employees, is available on our intranet and translated into our core languages. To raise employee awareness, it outlines key indicators of modern slavery and higher risk activity such as in our supply chains and outsourced activities, suppliers located in higher risk jurisdictions and recruitment through staffing agencies. The policy also contains key performance indicators to assess the effectiveness of our control measures. During the year, our position on modern slavery and the importance of managing this risk was reaffirmed through leadership communications. These communications promoted the policy and the importance of taking mandated training.

Rotork has an open and transparent culture underpinned by our **Speak Up Policy**. The policy encourages colleagues to report suspected wrongdoing as soon as possible and without fear of detrimental treatment as a result of raising a concern. We encourage colleagues to contact their line managers, or our Group HR Director or Group General Counsel & Company Secretary. We also offer an independent, global, and multi-lingual external reporting service managed by Safecall. This service allows concerns to be raised anonymously if preferred. It is available to employees, external stakeholders (such as suppliers) and the public and is operated 24 hours a day, 7 days a week. Reports can be made to a local freephone number or submitted via Safecall’s website. All reports we receive are dealt with efficiently, effectively, and consistently.

We continued to promote the importance of speaking up and our different Speak Up mechanisms during the year as follows:

- cascaded a message from our CEO to employees on the importance of acting with integrity and raising concerns;
- deployed two online modules covering various topics in our Code of Conduct, including Speak Up;
- delivered an online refresher course on “Ethical Issues: Raising Concerns” which reiterated how to raise concerns and reaffirmed our zero-tolerance policy on retaliation;
- updated Speak Up posters for use across our operations. The updated posters make it clear that employees should raise any concerns they may have in respect of modern slavery issues.

## Assessment of Modern Slavery Risk

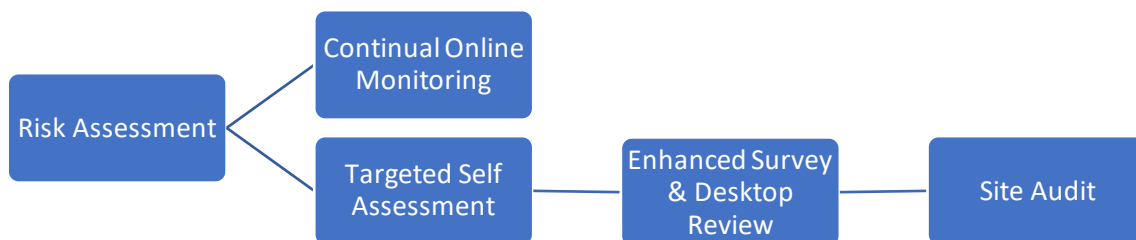
### Our operations

The Global Covid-19 pandemic continued to make travel challenging during 2021. Where it has been possible, our directors and other senior managers continued to make visits to our locations around the world and have remained alert to indications of any risk of modern slavery and human trafficking.

### Our supply chain

Our supply chain risk analysis is made up of a number of elements as follows:

#### Supply Chain Risk Analysis Method



#### Risk Assessment:

In 2020, we developed a risk-based supplier assessment model that uses open-source indices provided by credible organisations such as UNICEF, International Labour Organisation and Transparency International to differentiate risk by country. The model covers human freedom, prevalence of child labour, bribery and corruption and health and safety. In 2022, we aim to update the model to include a commodity-based factor.

#### Targeted Self-Assessment:

In late 2020, we contacted approximately 1,300 of our key suppliers and asked them to provide us with a completed questionnaire which aims to improve our understanding of the measures they take to prevent modern slavery. In addition to asking our suppliers to confirm whether they are familiar with our Supplier Code of Conduct and have relevant policies of their own in place, we also ask detailed questions about their workforce, and how they ensure certain standards are met in relation to their workers. We take a risk-based approach to following up with our suppliers based on their responses to our questionnaire.

In 2021, we invested in an online tool to improve the way we administer the questionnaires. The tool also enables increased coverage of our supply base. As we develop experience and intelligence in this area, we continue to improve our question sets to identify modern slavery risks.

#### Desktop Reviews and Site Audits:

In 2021, we reviewed the results of the 2020 self-assessment and investigated 71 concerns. No modern slavery incidents were substantiated. In addition, during the year, GSS conducted over 20 site visits (qualifying new suppliers or re-evaluating existing suppliers) and 60 remote reviews for assessment or re-evaluation. Further visits were conducted locally by the factory-based teams. None of the site visits raised modern slavery concerns.

#### Continual Online Monitoring:

We use an independent intelligence provider to alert us to and help us understand any risks associated with new suppliers as well as to monitor our existing suppliers.

### **Staffing agencies**

Our use of staffing agencies can expose Rotork to modern slavery risks. To address this, clauses on modern slavery and adherence to our Supplier Code of Conduct have been included in our staffing agency contracts and only those who have signed these terms can be used to source temporary staff. Annual confirmation of adherence to our Supplier Code is required from every agency. In addition, communications were issued to all managers advising them of our enhanced controls in relation to the recruitment of temporary staff or contractors.

### **Training and Awareness**

Employee training and awareness is one of the core elements of our Compliance programme and this was an area of significant focus in 2021. We implemented a new Learning Management System (“LMS”) which gives us the flexibility to deliver a range of legal compliance training content to employees and provides full auditability. During the year, modules on our Code of Conduct and “Raising Concerns” were rolled out to all employees with access to the LMS. In addition, classroom-based sessions on the Code of Conduct were cascaded to our operations employees.

An online course on modern slavery will be rolled out in the first quarter of 2022 to build knowledge of, and capability to manage risks. The training will be mandatory for all employees with access to the LMS and will cover:

- What modern slavery is, its forms and key indicators;
- How to identify and respond to Modern Slavery risks;
- Key risk areas; and
- How to report concerns.

The course also provides targeted content for directors and our Global Strategic Sourcing and Human Resources functions who require specialised knowledge. New employees will automatically be enrolled on the course.

In addition to the online training, the GSS team in conjunction with Slave-Free Alliance developed interactive webinar-based training for employees with procurement and supply chain responsibilities. As at the date of this statement, webinars have commenced, and training will continue during 2022.

## Effectiveness, Progress and Year ahead

We recognise the need to remain alert to modern slavery and human trafficking risks. We continue to engage in online monitoring, business reviews and audits of our suppliers where these are appropriate.

Our Modern Slavery Policy has a range of key performance indicators (“KPIs”) to monitor the risk-based actions we take to mitigate risk and to assess the effectiveness of our control measures. We will review the KPIs annually to ensure they remain relevant and appropriate.

In 2022, we will continue to work towards improvement of the measures we already have in place to identify and address modern slavery and human trafficking risks. Actions we aim to take in 2022 include:

- Continuing to embed the Code of Conduct through refresher training;
- Deployment of the Modern Slavery online module;
- Introduction of on-line Annual Adherence declarations for the Code of Conduct and associated policies including the Modern Slavery policy; and
- Continuing to enhance our supplier risk analysis.

## The Modern Slavery Act

This statement is made on behalf of Rotork plc and its subsidiary companies, including Rotork Controls Limited and Rotork UK Limited, under s54(1) of the Modern Slavery Act 2015.

This statement has been approved by the boards of Rotork plc, Rotork Controls Limited and Rotork UK Limited.



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Kiet Huynh  
Chief Executive Officer  
March 2022