

## Renishaw plc – Slavery and Human Trafficking Statement

### Fiscal year ended 30 June 2018

This statement is made in fulfilment of our obligations under Section 54, Part 6 of the UK Modern Slavery Act 2015 (“Modern Slavery Act”) and sets out the steps we have taken within the financial year ended 30 June 2018 to ensure slavery and human trafficking (“Modern Slavery”) does not take place within our organisation or in any of our supply chains.

## Summary

Renishaw is committed to ensuring that the human rights of our employees, and those of the people working within all our supply chains, are protected. We have continued to communicate with our suppliers and our employees about our Business Code of Conduct (“Code”); all new suppliers receive a copy of the Code and our Modern Slavery Policy before starting to do business with us. As we have added new purchasing groups into our slavery team, we have continued to send out a copy of our Code and Modern Slavery Policy to any existing suppliers unique to their business area.

We have created a cross-functional working group (“Working Group”) which brings together our purchasing, Corporate Social Responsibility (“CSR”) and compliance teams, under the sponsorship of the Group Finance Director (the Renishaw plc Director responsible for CSR) and the Director of our Group Manufacturing Services Division (GMSD). The Working Group has been expanded to include more business areas within this period as we continue to implement our policy and mitigate all forms of slavery within our supply chains.

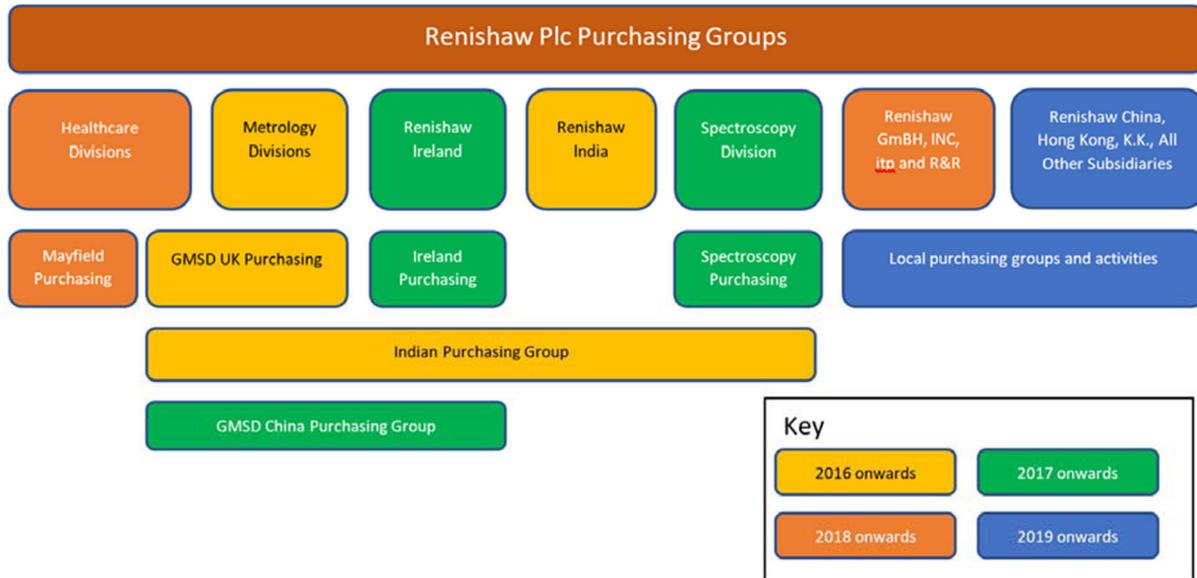
## Organisation and structure, and supply chains

Renishaw plc is a UK-based engineering company. Within the group, we operate manufacturing units within the UK (5), Ireland (1), Germany (1), France (1), the USA (1) and India (1). These are all either part of Renishaw plc or wholly-owned subsidiaries and all report into senior management. In addition, Renishaw has R&D, sales, and administration locations across 35 countries.

Our supply chains are divided into different groups that serve local Renishaw locations, however most (80%) of our purchasing spend is undertaken by GMSD, which conducts procurement for our Group Manufacturing Services and Corporate Services Divisions. Our other purchasing groups cover the remaining 20% and are being incorporated into the Working Group as per our strategy.

Our supply chains operate across the globe and include a small number of countries, commodities and industries that we deem to be higher risk for Modern Slavery issues.

We buy a range of goods and services, from IT hardware to corporate clothing, raw materials and waste disposal services. Some of these products and services we use within our own business (“Non-Production”) and others we incorporate in the products we sell to our customers (“Production”).



## Internal supply chains

We have assessed our own internal controls and are confident that our processes are adequate to ensure we do not inadvertently employ anyone who is a victim of any of the forms of Modern Slavery.

## External supply chains

We continue to focus on our tier 1 suppliers by asking them to engage with us in communicating their understanding of the Modern Slavery Act, whether they fall under scope, and what they are doing to mitigate the risk of Modern Slavery within their own organisation and supply chain.

Our largest two purchasing groups, GMSD and India are well advanced in the assessment of their existing higher-risk tier 1 suppliers. We have sent out questionnaires to all tier 1 suppliers assessed as higher-risk for slavery through the due diligence process outlined below. Our purchasing groups in Spectroscopy, Renishaw Ireland and itp GmbH (Germany) have also started their work in this area. This means we have assessed over 650 suppliers to date. Of these, 80% have responded in detail and we have ongoing discussions with 27% to understand their assessments in more detail. Only 3% of suppliers assessed to date require further evaluation.

Our Working Group has expanded to include the purchasing groups based in China, Ireland, itp GmbH (Germany) and Spectroscopy Division. Each of these purchasing groups have gone through the assessment process as outlined below and continue to assess any new suppliers that are added.

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## Due diligence process

The Modern Slavery Act impacts all suppliers in an organisation's supply chain. For the purposes of Renishaw's due diligence process, we have interpreted this to mean:

- All Production suppliers; and
- Non-Production suppliers with whom we have had trading activity within the current or previous financial year or those we are looking to work with soon.

An initial top-level risk assessment was carried out for all tier 1 suppliers meeting these definitions. This assessment deems a supplier to be at higher risk if it operates:

- In a high-risk country<sup>1</sup>
- In a high-risk industry or commodity<sup>2</sup>

If the supplier is identified as higher risk, we ask them to complete a Modern Slavery self-assessment questionnaire. The responses to these questionnaires are then assessed by the Purchasing Group and our central CSR Team. If there are concerns from these responses, the responsible buyers continue with the assessment until satisfied the supplier understands their responsibilities and the importance of this work. If necessary, we consider further steps, including visits by our purchasing team for further assessment and training.

If a supplier falls under scope of the Modern Slavery Act, we assess the information given within their Slavery Statement rather than asking them to complete a questionnaire. Some suppliers' Slavery Statements are found to be below expectations; in these circumstances, they are asked to complete the modern slavery self-assessment questionnaire, which is then assessed using our normal process.

As we gain a greater understanding based on responses from higher risk suppliers, we continue to review and refine the steps we take to identify and mitigate risk of Modern Slavery in our supply chains.

As part of these refinements we have created a simplified assessment process, for micro-organisations that are non-production and considered to be operating in a low risk industry. This enables a simplified self-assessment questionnaire to be completed that doesn't add a significant administrative burden to these small suppliers.

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<sup>1</sup> High risk countries are those in the top 85, by prevalence or number, on the Global Slavery Index issued by the Walk Free Foundation.

<sup>2</sup> A high-risk industry or commodity is one defined by the US State Department in their Trafficking in Persons report.

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## Training

Training on Modern Slavery and the due diligence process has been developed and implemented within GMSD, Spectroscopy, and the purchasing groups located in our sites in India, China, and itp GmbH (Germany). We have also developed an e-learning course which covers our Code and how that applies to people's jobs. This course continues to be refined and all employees are required to participate in the course. To date we have had nearly 80% of our people across the Group complete it.

## Progress report

To date we have not identified any suspected incidences of Modern Slavery in our supply chains.

Questionnaires were issued to a further 150 suppliers identified as higher risk in 2018. To date, 75% of the higher risk suppliers identified this year, and 80% have returned completed questionnaires and we continue to press for responses for the remainder.

A large majority of the suppliers who returned questionnaires have been assessed to be working at a sufficient level to mitigate Modern Slavery within their organisation and supply chains. A very small number of suppliers, all of whom operate in industries and locations that are widely recognized to be very high risk for the presence of Modern Slavery, have had site visits and audits. These audits have given us confidence that they are operating in a manner which significantly reduces any risk of exploitation within their operations.

Any new suppliers added within this period that we deemed to be of a lower risk for Modern Slavery were contacted with copies of the Code and the Slavery and Human Rights Policy, along with a letter setting out what is expected of them with regards to mitigating Modern Slavery within their organisations and supply chains.

This statement covers the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018, has been approved by the plc Board and is signed on behalf of the Board.

A handwritten signature in black ink, appearing to read "Allen Roberts", is positioned above the printed name and title.

Allen Roberts  
Group Finance Director