

Introduction

This statement sets out Gooch & Housego PLC's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. As a global leader in photonics technologies, the organization recognizes that it has a responsibility to take a robust approach to slavery and human trafficking.

The organization is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

Organizational structure and supply chains

Gooch & Housego (G&H) researches and manufactures in twelve sites across the USA, UK and China and are experts across a broad range of photonic technologies which, when combined with the company's optical, mechanical, electronic and software design capabilities, also enable the supply of complete optical system design services. Its products are deployed across a broad range of applications in industrial, aerospace & defense, life sciences markets as well as scientific research.

Countries of operation and supply

The organization currently operates in the following countries:

- United Kingdom, United States and China (R&D, product design, manufacture and supply)
- G&H's supply base operates out of Europe, North and South America and Asia.
- G&H operates to a supplier code of conduct which specifies the minimum obligations to which suppliers must operate under the terms of supply to G&H which include: no forced labor, no child labor, living wages paid, provision of safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labor.
- G&H will monitor compliance through its risk review process for suppliers.

High-risk activities

No activities are currently considered to be at high risk of slavery or human trafficking but the company will continuously review risk.

Responsibility

Responsibility for the organization's anti-slavery initiatives is as follows:

- **Policies:** G&H Executive team are responsible for the approval and maintenance of this policy pertaining to modern slavery.
- **Risk assessments:** The COO has overall responsibility, supported by the global supply chain, human resources and global quality business functions.
- **Investigations/due diligence:** Global supply chain function are responsible for due diligence on new suppliers. Depending on the nature of the incident or report of non-

compliance, investigations will be conducted by the global supply Chain, human resources and/or global quality.

- **Training and Raising Awareness:** The organization plans to run training sessions for relevant employees and will appropriately publicize this matters in its operations.

Relevant policies

The organization operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Whistleblowing policy:** The Company encourages all its employees and other business partners to report any concerns related to the direct activities, or the supply chains of, the organization. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The Company's whistleblowing policy is designed to make it easy for employees to make disclosures, without fear of retaliation: full details are accessible in Employee Handbooks, including who to contact in the event of any concern.
- **Employee code of conduct:** The organization's code makes clear to employees the actions and behavior expected of them when representing the organization. The organization strives to maintain the highest standards of employee conduct and ethical behavior when operating abroad and managing its supply chain.
- **Supplier code of conduct:** The organization is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they comply with these standards. G&H will work with suppliers to ensure that they meet the standards of the code. However, serious violations of the organization's supplier code of conduct will lead to the termination of the business relationship
- **Recruitment/Agency workers policy:** The organization uses only specified, reputable employment agencies to source labor and always verifies the practices of any new agency it is using before accepting workers from that agency. The following protocols are in place to minimize the risk of slavery and human trafficking in relation to agency workers:
 - **UK:** All agencies who supply agency staff operate to standards required by the Gangmasters Licensing Authority (GLA) and checks on agency licenses through the GLA are routinely undertaken.
 - **US:** Standard protocols are in place in compliance with State requirements.
 - **China :** a protocol is being developed for completion by July 2019.
- **Sustainability Policy.** All employment with G&H is voluntary. We do not use child or forced labor in any of our operations or facilities. We do not tolerate any form of unacceptable treatment of workers, including but not limited to the exploitation of children, physical punishment or abuse, or involuntary servitude. We fully respect all applicable laws establishing a minimum age for employment, in order to support the effective abolition of child labor.
- The organization undertakes due diligence when considering taking on new suppliers, and regularly reviews its existing suppliers. The organization's due diligence and reviews

include :

- Mapping the supply chain broadly to assess particular product or geographical risks of modern slavery and human trafficking;
- Reviewing on a regular basis all aspects of the supply chain based on the supply chain mapping;
- Conducting supplier audits or assessments [through the organization's own staff/third party auditor], which have a greater degree of focus on slavery and human trafficking where general risks are identified, as defined through the supply chain risk process;
- Taking steps to improve substandard suppliers' practices, including providing advice to suppliers and requiring them to implement action plans where necessary
- Invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship.

Performance indicators

The organization will define and review its key performance indicators (KPIs) in light of the introduction of the Modern Slavery Act 2015. As a result, the organization will:

- Train all staff in the supply chain, quality and human resources functions on modern slavery policy and procedures and ongoing;
- Develop, issue and monitor compliance with a supplier code of conduct to/for all existing suppliers ;
- A standard supplier manual will be developed.
- Continuously develop its system for supply chain verification whereby the organization evaluates potential suppliers before they enter the supply chain; and

CEO approval

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Gooch & Housego PLC's slavery and human trafficking statement for the financial year ending 30th September 2019.

Mark Webster

CEO

March, 2019

GROUP POLICY