

## **Our response to the Modern Slavery Act**

### **MAT FOUNDRY GROUP LIMITED MODERN SLAVERY ACT STATEMENT**

This statement, relating to the financial year ended 31 December 2020 is made in accordance with Section 54 (1) of the Modern Slavery Act 2015 (the 'Act') and outlines the steps we have taken as an organisation to assess our operations and supply chains in order to mitigate any risk of slavery or human trafficking. MAT Foundry Group Ltd (the 'Group') are committed to taking all necessary steps to ensure that our company policies and working practices ensure that we conduct business in an ethical and responsible manner. The Group fully support the aims of the Act.

#### **Our Organisation**

We are a manufacturing company, consisting of 12 operating companies on 3 continents that engineer and manufacture cast iron products serving the passenger, commercial, and heavy-duty vehicle markets as well as industrial and racing applications. It produces over 350,000 tons of iron per year in 7 foundries with 1,750 employees and maintains 8 machining facilities across Europe, Asia, and Central America.

Our subsidiary conducting business within the United Kingdom Eurac Poole Ltd ('Eurac'), which specialises in the casting and machining of brake discs. During 2020 Eurac employed on average 214 employees and had turnover of £32 Million.

#### **Our Approach**

The Group take a strict, zero tolerance approach to slavery and human trafficking within the organisation, while simultaneously advising and monitoring our own supply chains for ethical behaviour and good practice. We firmly advocate transparency and collaboration with all suppliers; we are committed to obtaining and retaining competitive goods and services while at the same time ensuring they are from sources which have not jeopardised human rights, safety or the environment.

Though training within our central Purchasing department we will focus on supply chain risk with specific reference to modern slavery. Knowledge from this training will be cascaded throughout the Group to assist our employees in other countries to be aware of and monitor the risks.

We also have adopted within the UK a number of internal policies which are designed to ensure that Group is conducting business in an ethical and transparent manner. These include;

1. Corporate Social Responsibility Policy - this policy details the manner in which the organisation, its employees and suppliers are expected to behave.

2. Whistleblowing Policy – we operate a whistleblowing policy, encouraging all employees to raise genuine concerns without fear of reprisal.
3. Dignity at work Policy – this policy explains that harassment and bullying; whether on grounds of sex, race, gender reassignment, disability, sexual orientation, age, religion or belief system for any reason is unacceptable and will not be tolerated.

### **Due Diligence in relation to Human Slavery**

Our understanding is that the modern slavery risks to which the Group is exposed are low in nature, but we aim to conduct due diligence on all suppliers before working with them, including a brief online search to ensure that there is no evidence or suggestion that a particular organisation has any connection to or accusations of involvement in modern slavery. Although identifying previous charges can prove difficult and information is not always readily available, the Group will err on the side of caution and will never knowingly conduct business with a supplier connected with any related charge. If a previous charge is identified retrospectively, we would cease trading pending an internal investigation.

Prior to any transactions or business operations with a new supplier, the completion of new supplier approval forms is also required - they detail quality management systems and performances, company policies and corporate social responsibilities.

### **Performance Indicators**

In the majority of the Group's overseas operating companies, the development of a robust system progresses, led by the UK based central purchasing function. However, within Eurac a supplier quality evaluation has been implemented during 2018, which is updated and monitored on a monthly basis. The ranking criteria ranges include (but are not limited to): quality and environmental services, tradeable permits and documentation of shipping standards. A score is aggregated across these metrics to rank a supplier with an overall A, B, C or D grade.

Any supplier who falls below B grade will be contacted by the Purchasing Department to identify the reason for the low scoring and ways to increase their overall ranking. The department will liaise with the Technical Department and decide whether to remove the supplier from the authorised suppliers list.

Similarly, if a supplier has a deviation that causes their ranking to drop within a monthly review, they will be advised of their fall off in performance and if necessary, sent a Supplier Corrective action report. The Supplier quality evolution document also allows for photographic evidence of supplier deviations, and reflects the action taken by Eurac and the supplier in question as well as a deviation score, which links back to the Quality score matrix.

The employee handbook includes a variety of human rights-related issues, including but not limited to, equal employment opportunity, whistleblowing and dignity at work. They are reminded and encouraged to identify potential violations in these areas, and to report behaviour that does not comply with internal policies and external regulations and laws.



### **Our Continuing Commitment**

The Group will continue to review and monitor its supply chain, ensuring that we identify and analyse areas of risk.

It will identify training and awareness courses for the central Purchasing department, so they are better equipped to identify modern slavery and to share this knowledge across the departments of other Group companies.

It will ensure a modern slavery section is included in future EURAC employee handbooks and an equivalent policy is made available within the policies of the operating subsidiaries.

### **Approval for this statement**

This statement was approved by the MAT Foundry Group Limited Board of Directors on 18 March 2021

For and on behalf of MAT Foundry Group Ltd and its subsidiaries

A handwritten signature in blue ink, appearing to read 'Thomas Krosnar', followed by a long horizontal line extending to the right.

Thomas Krosnar

Chief Executive Officer

