HepcoMotion®
ADVANCED LINEAR SOLUTIONS

MODERN SLAVERY ACT TRANSPARENCY STATEMENT FY 2023/2024

This statement is published by the Hepco Group in compliance with the UK Modern Slavery Act 2015 and sets out the steps we have taken to ensure that our business as well as our supply chains are free from slavery and human trafficking during the financial year ending 31st December 2024.

INTRODUCTION

The Hepco Group is committed to preventing slavery and human trafficking occurring in any of its corporate activities, as well as seeking to ensure that our supply chains are also free from such practices. Hepco Group continue to operate a zero-tolerance approach to slavery and human trafficking.

OUR ORGANISATIONAL STRUCTURE & OPERATIONS

HepcoMotion, part of the Hepco Group of companies is a world-leading manufacturer of linear motion systems and automation components. HepcoMotion has been leading the development of V Guide technology since 1969 and continues to develop innovative linear products that offer new solutions to design engineers.

Hepco Slide Systems Limited is a manufacturer of linear slides and components working in the mechanical engineering industry.

Braintree Precision Components: Manufacturing Hepco's world-class "V" groove and roller bearings.

HepcoAutomation offer advanced automation solutions from complete turnkey systems to specialised tooling. Systems are designed using the latest high performance mechanical and motion control products, providing customers with reliable, low maintenance automation solutions.

We are all part of the Hepco Group and Hepco Holdings Limited our parent company, which has its head office in England.

The Hepco Group employ 360 people worldwide and operate in the UK, Germany, Holland, France, Spain and South Korea.

We operate two manufacturing facilities in the UK and one in South Korea producing world-leading high quality, precision engineered linear systems, components and bearings for bespoke linear solutions and applications across a wide range of industries. Our sales team operate in all our markets specifying and advising our customers on a wide range of advanced linear solutions.

For further information on our company, please visit our website at: https://www.hepcomotion.com

NATURE OF OUR SUPPLY CHAIN

The Hepco Group has an extensive global network of suppliers, ranging from small private limited companies to large multinational companies. We aim to eliminate, as far as possible, the risk of modern slavery within this supply chain and to trade both ethically and with integrity. Our key supply chains involve the procurement of a wide range of goods and services including:

- Property Services (maintenance and construction)
- Temporary Workers (agency staff)
- Professional Advisory Services
- Raw Materials
- Sub-Contractors
- Surface and Proprietary treatments
- Plant and Machinery
- Tools, Gauges, Jigs and Tooling
- Calibration & Metrology equipment and services
- Components, Fasteners, Motion Products and Factored parts
- Transport, Logistics and Material Handling equipment
- Office Equipment and Consumables
- Telecom, Communication Equipment, IT services and both Hard and Software products
- Utilities
- Packaging
- Other Auxiliary Goods & Services

POLICIES RELATING TO SLAVERY & HUMAN TRAFFICKING

Our Anti-slavery policy reflects our commitment implementing and enforcing effective procedures and controls to minimise the risks of human trafficking and other modern slavery practices infiltrating our business operations or supply chains, and to acting ethically and with integrity in all our business activities and relationships.

Our procurement team and Supplier Quality Engineer aims to develop and strengthen relationships with contractors and suppliers who are committed to the Hepco Group Supplier Principles, or to equivalent standards through their own activities and the management of their own suppliers and subcontractors.

Each of the Hepco Group's contractors and suppliers has its own supply chain and we recognise that each level in the supply chain is responsible for ensuring compliance with all applicable laws and regulations and for respecting human rights.

The Hepco Group Supplier Principles further clarify the expectations we have from our suppliers and contractors on labour and human rights, including (but not limited to):

- No use of child labour;
- No use of forced, prison or compulsory labour;
- A safe, secure and healthy workplace and not tolerating discrimination, harassment or retaliation;
- Compliance with all applicable laws and regulations on working hours;

We ensure that our suppliers are aware of our policies and take appropriate measures to ensure that our suppliers adhere to the same high standards.

Our policies have been developed by our Compliance Team to ensure we meet and maintain our standards and are reviewed on a regular basis.

RISK ASSESSMENT & DUE DILIGENCE PROCESSES

We establish a relationship of trust and integrity with all our approved suppliers, which is built upon mutually beneficial factors.

Our supplier selection and on-boarding procedure includes due diligence of the supplier's reputation, respect for the law, compliance with health, safety and environmental standards, and references. Our risk assessment is a combination of both country and category risk of goods or services to be procured. Our approach to managing potential modern slavery activities within our supply chain is to raise awareness of the issue and to investigate for any examples of areas of concern. We do this through a proactive supplier evaluation process which identifies suppliers who could be classified as being a potential higher risk.

Certain areas of our supply chain may pose a higher labour rights risk due to their geographical location and the nature of the goods and services procured.

These potential higher risk suppliers and our identified key suppliers are audited by a member of our compliance evaluation team (Supplier Quality Engineer, Purchasing Representative and Responsible engineer) as required, according to their risk level.

Additionally, we require identified lower risk suppliers to engage in a supplier self-assessment questionnaire, in which they declare and confirm that they are working in agreement with the Hepco group principles and values on modern slavery and human trafficking.

Our employees who interact with our supply chain have been identified and trained on the risks of modern slavery and are aware of how to escalate any concerns identified, without fear of repercussion.

We also seek to continually review the operations of existing suppliers in relation to the risk of modern slavery and human trafficking. Hepco Group continues to strengthen its risk assessment to identify risks of modern slavery in our supply chains or where mitigations may be needed in our businesses, including in areas of new business development.

To monitor and mitigate the risks of slavery and human trafficking occurring within our supply chains we aim to undertake the following due diligence processes in relation to all new suppliers identified as being high risk according to the risk assessment procedures described above. Hepco Group applies due diligence procedures, taking a proportionate and risk-based approach.

As part of the due diligence & risk assessment processes we will: -

- Identify and assess potential risk areas in our supply chains
- Mitigate the risk of slavery and human trafficking occurring in our supply chains
- Monitor potential high-risk areas & geographical locations in our supply chains
- Protect whistle blowers

We ensure our due diligence process is:

- Proportionate to the identified modern slavery risk
- The severity of the risk and level of influence a business may have
- Informed by any broader risk assessments that have been conducted

Hepco group is committed to establishing a joint journey with our suppliers to build sustainable, socially and environmentally responsible supply chains.

The results of these supplier assessments performed by Hepco Group Supplier Quality Engineer and/or procurement team are summarised in a rating depending on the number and significance of any gaps between our requirements and the supplier's policies or performance. Where gaps are found, the procurement team and/or Supplier Quality Engineer may work with suppliers and contractors to help them implement a corrective action plan.

We may carry out on-site audits or consider potentially terminating the supplier relationship if serious or persistent shortcomings are found.

The most common shortcomings found during our supplier assessments typically relate to policy rather than performance gaps in the following areas:

- Freely chosen employment
- Child labour avoidance
- Working hours, wages and benefits
- Dormitory, housing and working conditions
- Humane treatment, equal opportunities and freedom of association; and
- Supply chain and performance management

Suppliers are required to comply with all applicable laws and regulations and agree to provide and maintain safe and healthy working conditions for all supplier personnel.

Hepco Group also conducts internal audits which examine local processes and assess whether these are suitable for reaching defined objectives and values, and whether these objectives can be met.

STAFF TRAINING

We provide and facilitate training to key staff who interact with our supply chain have been identified and trained on the risks to ensure that they understand the risks of modern slavery and human trafficking infiltrating our business or supply chains and effectively operate our policies and procedures aimed at mitigating these risks of modern slavery. Staff training will make staff aware of how to escalate any concerns identified, without fear of repercussion.

Our Hepco Group training is delivered via our online learning management system.

We also require our key business partners and suppliers to provide such training to their own staff.

We make specific provision in our whistleblowing policy for the protection of those who whistle-blow in relation to an issue of modern slavery. In emergency situations Call 999 if there is an immediate risk of harm to someone's safety. In non-emergency situations either report to the police Calling 101 or to seek advice / return a concern in confidence, by contacting the Modern Slavery Helpline on 08000 121 700 if a risk is present but it's not an emergency or visit:- www.modernslaveryhelpline.org/report.

MONITORING OF OUR ANTI-SLAVERY POLICY & DUE DILIGENCE PROCESSES

We intend to use Key Performance indicators to measure effectiveness and performance management of steps being taken on training, awareness, and supplier assessments. To monitor how effective we have been in ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains.

FUTURE ACTION

As a result of our assessment, we aim to take the following further steps over the course of 2025 to review our progress against our actions and to ensure we uphold our values and ethical stance.

We continue our work with our global suppliers to increase the number of supply partners who are fully signed up to our Modern Slavery commitments.

We will continually monitor the requirement that all new suppliers commit to our requirements as part of the on-boarding assessment and acceptance process.

Our supplier evaluation process will be reviewed to facilitate an increase in sign up from our existing suppliers. Our Modern Slavery Act Transparency Statement will be reviewed and updated annually by the Hepco Group compliance team.

This statement is made pursuant of section 54(1) of the Act and constitutes our modern slavery and human trafficking statement for the financial year ending 31st December 2024.

CHRISTOPHER REED
GROUP FINANCIAL DIRECTOR

20.1.2025