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Renishaw plc – Slavery and Human Trafficking Statement

Fiscal year ended 30th June 2022

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 2022 to ensure slavery and human trafficking (“Modern Slavery”) does not take place within our organisation or our tier 1 supply chain.

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 continue to communicate with our suppliers and our employees about our Business Code of Conduct (“Code”). It is incorporated into our new starter induction programme, and is also sent to all new suppliers, along with a copy of our Modern Slavery Policy before we start to do business with them. Our cross-functional working group (“Working Group”) brings together our purchasing and sustainability teams under the sponsorship of the Group Finance Director (the Renishaw plc Director responsible for sustainability) and the Head of Group Manufacturing. The Working Group continues to investigate opportunities to improve our processes, and to implement our risk-based approach to mitigating Modern Slavery within our supply chains.

Organisation, structure, and supply chains

Renishaw plc is a UK-based engineering company. We operate manufacturing units within the UK (5), Ireland (1), Germany (1), France (1), the USA (1) and India (1). These are either part of Renishaw plc or wholly-owned subsidiaries and all report into our senior management team within the UK. In addition, Renishaw has R&D, sales, and administration locations across 36 countries. Our suppliers are divided into different groups that serve local Renishaw locations, however most (around 80%) of our purchasing spend is undertaken by Group Manufacturing Services Division, which conducts procurement for our Group Manufacturing Services and Corporate Services Divisions. 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 actively monitor these and focus much of our efforts in the area of Modern Slavery mitigation within them. These areas are minerals, clothing, and electronics. We buy a wide range of goods and services, from raw materials to waste disposal services. Some of these products and services we use within our own business (“Non-Production”) and others we incorporate in the products that we sell (“Production”).

Registered office

New Mills, Wotton-under-Edge,
Gloucestershire GL12 8JR

Registered number

1106260, England

Internal supply chains

We have assessed our own internal controls and are confident that our processes are adequate to ensure we do not employ anyone who is a victim of any form 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. We also ask them to share what they are doing to mitigate the risk of Modern Slavery within their own organisation and supply chain. We have sent out questionnaires to all tier 1 suppliers assessed as higher risk for Modern Slavery through the due diligence process outlined below and continue to do so for any new suppliers meeting our higher risk criteria.

Due diligence process

Our due diligence process is still considered to be fit for purpose for adequately assessing the risk and identifying any situations of modern slavery within our tier 1 supply chain. This process is set out below and has not changed significantly from previous years. 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 is carried out for all tier 1 suppliers meeting the above definitions.

This assessment deems a supplier to be higher risk if it operates:

- in a high-risk country¹; or
- in a high-risk industry or commodity²

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

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

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 relevant purchasing team. If there are concerns from these responses, the responsible buyer continues with the assessment until satisfied the supplier understands its responsibilities and the importance of this work. If necessary, we consider further steps, including video meetings and visits by our purchasing team for further assessment and training.

If a supplier falls under scope of Section 54 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 as above.

Micro-organisations that are non-production and considered to be operating in a low-risk industry are asked to complete a simplified self-assessment questionnaire. This avoids adding a significant administrative burden to our smaller suppliers.

Training

Training on Modern Slavery and the due diligence process has been developed and implemented within all purchasing teams in the UK, Ireland and India. All employees are required to complete an e-learning course covering our Code and how it applies to people's roles. To date we have had over 98% of our people across the Group complete it.

Progress report

To date we have not identified any suspected incidences of Modern Slavery in our high-risk, tier 1 suppliers. We have assessed more than 90% of our high-risk, tier 1 suppliers and we have concluded that they are sufficiently mitigating against Modern Slavery in their organisations. For a small number of suppliers already assessed, we are in the process of engaging with them to seek clarification of responses where it is believed they have misunderstood questions, rather than giving cause for concern; this process which will be completed by the end of December 2022. For the remaining higher-risk suppliers we will be undertaking assessments shortly.

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

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

To ensure the robustness of our due diligence process, we would seek to conduct site visits and audits for some suppliers operating in industries or locations that are widely recognised as being very high risk for the presence of Modern Slavery. We have identified four tier 1 suppliers that we intended to audit in person but as these suppliers are located in China, the ongoing COVID -19 pandemic has hampered our efforts in this area. However, we acknowledge that other ways of working can be adopted, so Teams meetings will be arranged for all four suppliers, with the aim of resolving any outstanding concerns by the end of December 2022. We continue to push for the prompt return of responses as questionnaires are issued.

This statement covers the period 1st July 2021 to 30th June 2022, has been approved by Renishaw's Board, and is signed on behalf of the Board.

A C G Roberts
A C G Roberts (Dec 20, 2022 13:34 GMT)

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