

LUCY GROUP SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR 2019

INTRODUCTION

Lucy Group Limited is a relevant commercial organisation within section 54 of the Modern Slavery Act 2015. This transparency in supply chain statement is made by Lucy Group Ltd as parent company on behalf of all group companies including Lucy Electric UK Limited which is itself a relevant commercial organisation within section 54 of the Modern Slavery Act 2015.

THE GROUP'S STRUCTURE

We are a global manufacturing and property business operating through three diverse business units as explained below. Lucy Group Limited is the parent company of several companies based in the UK and abroad (together the "Group"). In 2019 the Group had over 1400 employees worldwide operating in the UK, India, the Middle East, Africa, Asia and South America.

THE GROUP'S BUSINESSES

Following the closure of the Group's Lucy Castings business at the end of 2019, the Group's business is now organised into three diverse business units: Lucy Electric, Lucy Controls and Lucy Real Estate, supported by head office in Oxford. Lucy Electric and Lucy Controls both operate domestically and internationally with Lucy Real Estate operating only in the UK. Lucy Electric manufactures and sells high-performance medium voltage switchgear for utility, industrial and commercial applications. Lucy Controls has two distinct UK-based businesses: Lucy Zodion which manufactures and sells street lighting control systems and Lawson Fuses Ltd which manufactures high-rupturing capacity (HRC) low voltage fuses. Lucy Real Estate owns, lets and manages a substantial property portfolio and develops residential property for sale in Oxfordshire.

THE GROUP'S SUPPLY CHAINS

Lucy Electric's supply chain is partly internal as various group companies supply goods and services to each other. Lucy Electric also has a significant domestic and international supply chain with most suppliers located near its manufacturing locations in the UK, Saudi Arabia, UAE, India, Thailand and Brazil. Within Lucy Controls, Lucy Zodion's supply chain is mainly domestic situated near its factory in Sowerby Bridge with suppliers in Asia Pacific and Europe as well as internal group suppliers. Lawson Fuses Ltd is based in Newcastle with its main suppliers based in the UK and India. Lucy Real Estate's supply chain is all UK-based with the majority based in Oxfordshire.

THE GROUP'S POLICY ON SLAVERY AND HUMAN TRAFFICKING, RELATED PROCESSES AND SUPPLIER DUE DILIGENCE

We remain committed to improving our practices to combat slavery and human trafficking as set out in our Anti-slavery Policy: <http://lucygroup.com/files/2814/9061/4908/Lucy-slavery-doc.pdf>. As part of our on-going efforts to identify and mitigate risk our steering committee, set up in 2016, comprised of representatives from each business unit and Lucy Group Ltd, continues to meet regularly to oversee the Group's continuing compliance with the Modern Slavery Act. The main focus of the committee is to ensure there are systems in place in all business units to identify, assess and monitor potential risk areas in our supply chains and that all businesses continue to improve their supplier vetting processes. We encourage a culture of continuous improvement. Our business units have improved supplier vetting processes including processes for existing suppliers to ensure we are sensibly addressing the risks within our supply chain. We will continue to engage with all our suppliers across all business units to ensure their compliance with the Modern Slavery Act. We have recently changed our provider of our external whistleblowing confidential web portal and helpline telephone number to provide more functionality and better analytics. As soon as we are migrated to the new service we will take the opportunity to publicise our new enhanced external whistleblowing service to all staff globally to remind them that they can raise any concerns they may have.

TRAINING

We rolled out a new modern slavery training module this year to all staff globally (not merely staff within purchasing and supply chain functions) having access to our training portal, excluding

production workers, in all group companies including staff in Lucy Electric UK Ltd. 98.4 percent of staff who were asked to complete the training completed such training. Modern slavery guidance is published on our websites to further assist the Group's suppliers and contractors.

NEW UK GROUP COMPANY

We engaged particularly with Lawson Fuses Ltd this year being a recent acquisition which has not had to previously comply with the Modern Slavery Act. Although Lawson Fuses Ltd is not a reporting entity in its own right, Lucy Group Ltd makes this transparency in supply chain statement on behalf of all group companies. We shared our enhanced processes with Lawson Fuses Ltd seeking to ensure it is more aligned with the rest of the Group. We believe that there is now a higher degree of understanding within our Newcastle operation of the risks of modern slavery and human trafficking.

NEXT STEPS

We believe the various efforts outlined above should help reduce the risk of modern slavery and human trafficking occurring within our businesses and that of our supply chains. During the 2020 financial year we intend to take the following further steps to further reduce the risks of slavery and human trafficking occurring within our businesses and that of our supply chains:

- We continue to make a real effort not to be complacent as we are only too aware that slavery and human trafficking continue to be major problems globally including in the UK. Because of our extensive footprint in Oxfordshire we intend to participate in the Oxfordshire Anti Slavery network (OxASN) once Covid-19 restrictions are lifted.
- We are undertaking a wide-ranging global review of our direct purchasing controls and taking this opportunity to re-inforce adherence to the Group's Modern Slavery Policy. We will continue to review our supplier vetting processes including our processes for both existing and new suppliers to see if further improvements can be made to ensure we are reducing the risks of slavery and human trafficking occurring within our supply chains.
- The Steering Committee will continue to meet to oversee and co-ordinate the Group's on-going compliance with the Modern Slavery Act.

This statement is approved by the Board of Lucy Group Ltd and is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement of Lucy Group Ltd on behalf of all group companies including Lucy Electric UK Limited for the financial year ending 31 December 2019.



**RICHARD DICK, EXECUTIVE CHAIRMAN
LUCY GROUP LTD**

Date: 23 JUNE 2020