



MILLIKEN INDUSTRIALS LIMITED

MODERN SLAVERY STATEMENT 2018

This statement is made by Milliken Industrials Limited (“Milliken”). It is a statement made in accordance with Section 54 of the Modern Slavery Act 2015 and covers the financial year ending 26 November 2017.

Milliken has a strong foundation of ethics. As a long-held, core value of our company and our shareholders, it is the foundation of our business. We have been awarded the World’s Most Ethical Companies award by Ethisphere® Magazine for 12 consecutive years and are only one of 12 companies to be recognized every year since the award’s inception. We demonstrate our long-held commitment to ethics through our annual associate commitment to the Code of Conduct, and through carrying out our business in accordance with the fundamental rights and freedoms protected by the Universal Declaration of Human Rights, of which Article 4 prohibits slavery and servitude

Slavery, human trafficking, servitude and forced labour (“Modern Slavery”) is a global and increasing challenge for governments and business. It is estimated that 24.9 million people are currently subjected to forced-labour conditions globally. Milliken recognises that it is everybody’s responsibility, especially businesses, to help eradicate slavery. We therefore welcomed the inclusion of slavery to the United Nations Sustainability Goals. We believe that we have made progress in the past 12 months, and have made the issue a key objective of our organisation for the 2017-2018 financial year.

Organisational Structure and Supply Chains

Milliken Industrials Limited is part of the Milliken & Company group structure, whose head office is in Spartanburg, South Carolina. To find out more about our structure please visit our 2017 Modern Slavery statement at <http://www.milliken.com/en-us/Pages/Supply-Chain-Disclosure.aspx>.

Since our 2017 statement, Milliken has acquired the assets of a chemical pigments, dyes and colourants business, formerly known as Keystone Europe Limited, which is now incorporated into the balance sheet of Milliken. This division acts predominantly as a distributor of pigments and dyes purchased from a third party OEM. Some products are then mixed at Milliken and then sold either directly to customers or through a network of distributors.

Our Policies on Slavery and Human Trafficking

Milliken recognises that in order to ensure that as an organisation it is free from modern slavery, it needs to be aware of its organisational and supply chain Modern Slavery risks. We have therefore taken the following steps:

In September 2017 we introduced a new Anti-Slavery and Human Trafficking Policy in the UK. Our policy outlines our zero tolerance approach to Modern Slavery of any kind. The policy applies to all employees at all levels, including third party consultants and business partners and requires everyone to accept responsibility for the prevention, detection and reporting of Modern Slavery in any part of our business or supply chains.

We have also updated our Supplier Code of Conduct on Slavery and Trafficking.

The Milliken Code of Conduct has also been updated, which was published in May 2018.

Due Diligence Processes

The right to be free from slavery and servitude is a fundamental human right. We have therefore adopted a policy that due diligence activities to combat slavery and trafficking are required across our supply chains and there is a need for a consistent risk based approach to be adopted. We acknowledge that there is greater risk in the upstream supply chain with our suppliers, however this does not mean the downstream supply chain is risk free. In terms of the upstream supply chain, the greatest risk lies with our raw material suppliers and particularly those located in high corruption perception index countries.

We have initiated a pilot process in our largest UK business to send questionnaires to key suppliers. Once responses have been received conclusions drawn, we will roll the process out to all other key suppliers during 2018.

We also require our suppliers to confirm that they have read and will comply with our Supplier Code of Conduct and question new key suppliers on their approach to Modern Slavery.

Training and Awareness of Modern Slavery and Human Trafficking

Training has been given to members of staff on Modern Slavery, the requirements of our Anti-Slavery and Trafficking Policy and the Supplier Code of Conduct. The initial training was by way of an e-learning module and was rolled out, not only to all of our UK employees, but also to all European office staff, including management and administrative associates.

We have also engaged the services of a third party consultant to work with us to develop a human rights training and workshop. The training provided an introduction to the legal aspects of Modern Slavery, plus practical guidance around Modern Slavery in a culturally diverse world and Modern Slavery throughout the supply chain. Various scenarios and examples were used to give pragmatic guidance to the delegates to increase awareness of Modern Slavery whilst going about their day jobs and specifically while undertaking work at suppliers' premises. Two full day training sessions were delivered to staff who already visit suppliers as part of their roles. The functions that attended the training including supply chain, purchasing, process improvement engineers and quality assessors.

In addition to the e-learning and live training, we published an article in our internal European newsletter raising awareness of this issue in September 2017.

In the future, we have identified the need to provide training to those who operate downstream in the supply chain, such as those in sales. In accordance with government guidelines we will adopt a risk based approach to this.

Further steps

Following a review of the effectiveness of the steps we have taken to ensure that there is no slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking:

- Roll out of the questionnaire to the key suppliers in other divisions, namely airbag, mats, and chemical.
- As a result of the two live training workshops, we have identified actions to

- create a SharePoint site for storage of the audit/supplier visit reports;
- create a supplier visit form for recording observations and red flags;
- create a guide on acceptable and unacceptable behaviours that may be observed during visits; and
- create a clear escalation process if red flags are identified.
- Continue to raise awareness of the issues of modern slavery and human trafficking by regularly publishing articles in the European newsletter and marketing material.
- Identify the appropriate training for other employees who may be affected by this issue.
- Regularly review the effectiveness of our Anti-Slavery and Trafficking Policy and the Supplier Code of Conduct.
- Continue to monitor and consider responses of those suppliers with whom we have and are corresponding with in relation to our Modern Slavery requirements.
- Continue with our supplier risk profiling programme.

Signed for and on behalf of Milliken Industrials Limited:



Jeremy Graham
Director
Date: 14 May 2018



Martin Haworth
Director and Company Secretary
Date: 14 May 2018