

APPROVAL

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Introduction

This statement sets out Faltec Europe Ltd.'s actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year 1 January 2020 to 31 December 2020.

We recognise that we are publishing this statement later than expected. This is because of reduced staff capacity/increased difficulty in gathering the required information due to the coronavirus pandemic.

As part of the automotive manufacturing sector, we recognise that we have a responsibility to take a robust approach to slavery and human trafficking and we continue to take our responsibility very seriously.

Our organisation is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

Organisational structure and supply chains

This statement covers the activities of Faltec Europe Ltd (FEL). We are a manufacturer of automotive trim parts in the automotive sector and are part of the Faltec Group. Our parent company is Faltec Co., Limited, with a head office in Japan and a global workforce of over 2,500. FEL employs over 300 workers, operating from two factory sites in South Tyneside and Sunderland. We supply a number of OEM manufacturers throughout the UK and Europe. We are ISO 9001 accredited.

The automotive supply chain in general is one of the most complicated of any industry. There are many levels of suppliers between a Tier 1 supplier and the source of raw materials that enter the manufacturing process.

Countries of operation and supply

FEL sources products from a number of global locations, mainly for raw materials, components used in the manufacturing process, and equipment. As part of our initiative to identify and mitigate risk, we clearly communicate our expectations to our suppliers. All suppliers are subject to a rigorous supplier appointment process. Where possible we build long standing relationships with local suppliers and make clear our expectations of business behaviour. OEM imposed suppliers are outside of our influence and scope. Where relevant we ensure that our suppliers are certified to ISO9001 and are complying with all applicable laws and regulations.

We believe that the risk of slavery and human trafficking in our own business and supply chain is low. We have robust employment policies and employ rigorous hiring procedures. Additionally, the complex and specialised nature of our business required workers with a high degree of technical expertise and competency, making slavery and human trafficking within our organisation unlikely.

Relevant policies

We operate a series of policies that seek to prevent malpractice and encourages our workforce to raise awareness of the problem, including:

- **Whistleblowing policy** We encourage all our workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, our organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.
- **Supplier Code of Conduct** We are committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. We work with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of our supplier code of conduct will lead to the termination of the business relationship.
- **Recruitment & Selection policy** We use only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency.

Preventing Modern Slavery

- The terms and conditions of employment at Faltec seek to protect employees from the risk of modern slavery by openly and transparently outlining the agreements and procedures in which the individual will provide company service. The terms and conditions of employment are compliant to the current employment laws of England and Wales.

FEL requires all employees and workers to undertake appropriate statutory, mandatory or role-specific training and have a comprehensive understanding of their working conditions and job role.

Board Member approval

This statement was approved on 25th August 2021 by our board of directors, who review and update it annually.



T Furuuchi

Managing Director