

LUCY GROUP SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR 2017

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 four 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"). The Group has over 1300 employees worldwide and operates in the UK, India, the Middle East, Africa and Asia. In 2017 Lucy Electric UK Ltd had 129 employees.

The Group's global annual turnover in 2017 was £176 million. Lucy Electric UK's annual turnover in 2017 was £42 million.

THE GROUP'S BUSINESSES

The Group's business is organised into four diverse business units: Lucy Electric, Lucy Castings, Lucy Zodion and Lucy Real Estate, supported by head office in Oxford. Lucy Electric manufactures and sells high-performance medium voltage switchgear for utility, industrial and commercial applications. Lucy Zodion manufactures and sells street lighting control systems. Lucy Real Estate owns, lets and manages a substantial property portfolio and develops residential property for sale in Oxfordshire. Lucy Castings runs two foundries providing iron and aluminium castings to a wide range of customers.

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 and Thailand. Lucy Castings' supply chain is all UK-based. Lucy Zodion's supply chain is mainly domestic situated near its factory in Sowerby Bridge and it also has suppliers in Asia Pacific and Europe, and internal group suppliers. Lucy Real Estate's supply chain is all UK-based with the majority based in Oxfordshire. Following on from last year's statement, this year we sent further questionnaires to key external suppliers on their compliance with the Modern Slavery Act 2015 to complete questionnaires. We received over 90% supplier response and will continue to engage with all our suppliers to ensure their compliance with the Act.

THE GROUP'S POLICY ON SLAVERY AND HUMAN TRAFFICKING

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> which was published last year and has been communicated to staff and suppliers.

TRAINING

We have rolled out training to purchasing and supply chain staff in all group companies in the UK, India, the Middle East, Africa and Asia including such staff within Lucy Electric UK Ltd. We think there is a high level of understanding of the risks of modern slavery and human trafficking and that staff will be better equipped to deal with any concerns in our supply chains and our businesses.

WHISTLEBLOWING

We have refreshed our whistleblowing policy and have set up an external confidential helpline to enable staff to raise concerns. We will wait until the new helpline service is embedded in our processes before considering the roll out of the helpline service to other parties like our suppliers. The revamped whistleblowing arrangements will help generate more awareness, and help to reduce the risk of modern slavery and human trafficking occurring within our businesses and that of our supply chains.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk the steering committee we set up in 2016, made up of representatives from each business unit and Lucy Group Ltd, continues to meet regularly to oversee the Group's continued 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, that all businesses continue to improve their supplier vetting processes and that whistleblowers are protected.

NEXT STEPS

We intend to take the following further steps to combat slavery and human trafficking:

- The Steering Committee will continue to oversee and co-ordinate the Group's on-going compliance with the Modern Slavery Act.
- We will continue to promote awareness and in particular we plan to (i) extend training to other relevant staff in all group companies including staff within Lucy Electric UK Ltd, (ii) prepare a handy guide for our suppliers and (iii) publicise the less obvious signs of slavery via targeted campaigns, all of which should help to ensure an even higher level of understanding of the risks of modern slavery and human trafficking in our supply chains and our businesses.
- We will continue to improve our supplier vetting processes including our processes for existing suppliers to ensure we are sensibly addressing the risks within our supply chain.
- We will share our enhanced processes with our new subsidiary in Brazil to ensure it is aligned with the rest of the Group.

This statement 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 2017.

RICHARD DICK, EXECUTIVE CHAIRMAN
LUCY GROUP LTD



Date: 29th May 2018