

Modern Slavery Act

Transparency Statement 2018

Diploma PLC supports fully the principles and provisions set out in the Modern Slavery Act ("the Act").

The Board of Diploma PLC is committed to identifying modern slavery risks across its businesses and supply chain which include, slavery, human trafficking, child labour and forced/compulsory labour (together "Modern Slavery") and to ensuring that there is no Modern Slavery either within its businesses or within its principal supply chains.

Regulatory demands upon Diploma PLC and its subsidiaries ("the Group") vary considerably around the world and as a decentralised set of businesses, the Board has allocated responsibility to local senior management teams, under the direction of a member of the Executive Management Committee, to ensure that each trading subsidiary is fully compliant with both the Modern Slavery Act and any applicable local anti-slavery requirements.

Our business and structure

Diploma PLC is an international group of businesses supplying specialised technical products and services to the Life Sciences, Seals and Controls industries. The Group employs ca. 1,750 employees and its principal operating businesses are located in the UK, Northern Europe, North America and Australia.

The Life Sciences businesses supply consumables, instrumentation and related services to the healthcare and environmental industries. The Seals businesses supply seals, gaskets, filters, cylinders, components and kits for heavy mobile machinery and specialised industrial equipment. The Controls businesses supply specialised wiring, cable, connectors, fasteners and control devices for technically demanding applications.

Further information on Diploma PLC and its businesses are set out in the Annual Report & Accounts which is published on the Company's website: www.diplomaplcc.com

Our approach to the Act

The Group has a culture of openness, integrity and accountability and requires that employees act fairly in their dealings with all stakeholders, including customers, suppliers, fellow employees and business partners. Diploma confirms that none of its businesses are involved in Modern Slavery.

The Group does not generally operate in markets/sectors that present a higher risk of Modern Slavery. It continues to review and extend its policies and procedures to specifically highlight Modern Slavery.

In 2017, Diploma first completed a Group-wide review of principal suppliers designed to ensure that none of its suppliers were involved in Modern Slavery. These suppliers are largely based in countries with a lower risk of Modern Slavery and in many cases are international groups of businesses with their own commitment to prevent Modern Slavery. We now review this on an ongoing basis, with targeted audits and visits to suppliers, which has not uncovered any non-compliance to date.

The Group's businesses continue to carry out due diligence on existing suppliers, and prior to engaging with major suppliers, due diligence and vetting procedures will be carried out to ensure that suppliers meet the Group's required standards. The Group businesses have adopted a risk-based and proportionate approach to assess the risk of modern slavery among major suppliers, based on country of manufacture of goods procured. Where a potential new supplier fails to meet the Group's policy in relation to Modern Slavery, the Group will not work with these suppliers until they have amended their policies appropriately to meet the Group's standards.

The Group businesses have and circulate Codes of Conduct ("Codes") to their suppliers. These Codes include commitments by the businesses to counter modern slavery and require the same commitment of major suppliers. Some Group companies have demonstrated updates to their contract terms to counter modern slavery.

The Board has also, under the direction of the Group Company Secretary set up a process whereby senior management responsible for procurement are regularly briefed on Modern Slavery, particularly in relation to higher risk countries.

In addition, the Group operates a "whistleblowing" policy through an established independent third-party whistleblowing hotline, which allows employees in any of the Group's businesses to raise concerns confidentially, anonymously (where permitted by law) and independent of their business in relation to any concerns, including Modern Slavery.

The Chief Executive Officer will continue to lead this important agenda for the Group and Diploma PLC will report next year on further steps that have been taken in the current year to maintain robust policies on Modern Slavery.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Diploma Group's modern slavery statement for 2018.

This statement was approved by the Board of Diploma PLC and signed on its behalf by:

Johnny Thomson
Chief Executive Officer
Diploma PLC

25 March 2019