



Anti-Slavery and Human Trafficking Policy

A message from the Hydro Board

As a Group, Hydro International maintains relationships with many different organisations in its supply chain, as well as employing people. In the light of the general law on employment and human rights, and, more specifically, the Modern Slavery Act 2015, we have reviewed our existing compliance and risk management processes to determine to what extent measures already exist, and what further measures may be required to prevent slavery and human trafficking taking place in any part of our businesses or in our supply chains. The policy below underpins our approach, and will be used to inform our Statement on Slavery and Human Trafficking to be published later this year.

This policy covers all the activities of Hydro International and its subsidiaries. It governs all our business dealings and the conduct of all persons or organisations with whom we contract directly or who we appoint to act on our behalf.

We expect all who have, or seek to have, a business relationship with Hydro International and/or any member of our Group, to familiarise themselves with our anti-slavery policy and to act at all times in a way which is consistent with our anti-slavery policy.

Michael Jennings

Chief Executive

A handwritten signature in blue ink, appearing to read 'MJ', with a long horizontal stroke extending to the right.

Contents

1	The purpose of this policy
2	Steps for the prevention of modern slavery
3	Responsibility for the policy
4	Reporting modern slavery
5	Communication and awareness of policy
6	Review
Appendix 1	Standard form letter for communication of this Policy to Business Partners

1. Purpose of this policy

1.1 Modern slavery is a criminal offence under the Modern Slavery Act 2015 (the “Act”). Modern slavery can occur in various forms, including servitude, forced or compulsory labour and human trafficking, all of which have in common the deprivation of a person’s liberty by another in order to exploit them for personal or commercial gain. This document sets out the policy of Hydro International plc (the “Company”) with the aim of the prevention of opportunities for modern slavery to occur within its businesses or supply chain. This policy’s use of the term “modern slavery” has the meaning given in the Act.

1.2 As a Group, we have a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own businesses or those of our suppliers.

2. Steps for the prevention of modern slavery

2.1 We are committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers and other business partners, and we are evolving and updating our contracting processes to include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. We expect our suppliers to hold their own suppliers to the same high standards.

2.2 All team members have an obligation to familiarise themselves with our procedures to help in the identification and prevention of modern slavery and to conduct business in a manner such that the opportunity for and incidence of modern slavery is prevented. Adherence to this policy forms part of all team members’ obligations under their contract of employment.

2.3 Whilst recognising our statutory obligation to set out the steps we have taken to ensure that modern slavery and human trafficking is not taking place in our supply chains, we acknowledge that we do not control the conduct of individuals and organisations in our supply chains. To underpin our compliance with practical steps, we intend to implement the following measures:

2.3.1 conduct risk assessments to determine which parts of our business and which of our suppliers are most at risk of modern slavery so that efforts can be focused on those areas;

2.3.2 engage with our suppliers both to convey to them our Anti-Slavery Policy and to gain an understanding of the measures taken by them to ensure modern slavery is not occurring in their businesses; Hydro International reserves the right to terminate any supply agreement, arrangement or other contract without compensation, if a supplier is found to have or found to be engaging in human trafficking and slavery or which refuse to co-operate with any audit to verify compliance with this Policy.

2.3.3 where appropriate, as informed by our risk assessment, seek to introduce supplier pre-screening (for example as part of our tender process) and self-reporting for our suppliers on safeguarding controls;

Hydro International

Anti-Slavery and Human Trafficking Policy

2.3.4 introduce contractual provisions for our suppliers to confirm their adherence to this policy and accept our right to audit their activities and (where practicable) relationships, both routinely and at times of reasonable suspicion.

2.4 From financial year 2016 we will include in the directors' report accompanying our annual financial statements a reference to the Company's Slavery and Human Trafficking Statement, which will be presented on our website during the course of 2016.

3. Responsibility for the policy

3.1 Ultimate responsibility for the Company's actions to prevent modern slavery rests with the Company's leadership. The board of directors of the Company has overall responsibility for ensuring this policy and its implementation comply with our legal and ethical obligations.

3.2 Team leaders at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it and the issue of modern slavery.

3.3 We expect everyone working with us or on our behalf to support and uphold the following measures to safeguard against modern slavery:

3.3.1. We have a zero-tolerance approach to modern slavery in both our organisation and our supply chains. The prevention, detection and reporting of modern slavery in any part of our organisation or supply chain is the responsibility of all those working for us or on our behalf. Workers must not engage in, facilitate or fail to report any activity that might lead to, or suggest, a breach of this policy.

3.3.2. We are committed to training relevant employees in modern slavery, how to identify it in practice and how to respond.

3.3.3. We are committed to engaging with our direct suppliers where possible to address the risk of modern slavery in our operations and supply chain.

3.3.4. As part of our contracting processes, where we are able to negotiate the terms of supply we negotiate to include a specific prohibition against the use of modern slavery and trafficked labour and an ability to audit the supplier's organisation for compliance with this policy.

3.3.5. Our recruitment procedures require employment and recruitment agencies and other third parties supplying workers to our organisation to comply with this policy.

4. Reporting modern slavery

4.1. Employees must notify their line manager, the HR Manager or the Company Secretary in accordance with the Whistleblowing policy as soon as possible if they have any reason to believe that modern slavery of any form may exist within our organisation or our supply chain, or may occur in the future or have any concerns or suspicions relating to compliance with this policy.

4.2. If a person, other than an employee, has any reason to believe that modern slavery of any form may exist within our organisation or our supply chain, or may occur in the future or have any concerns or suspicions relating to compliance with this policy, they must notify as soon as possible their line Manager, the HR Manager or Company Secretary.

Hydro International

Anti-Slavery and Human Trafficking Policy

4.3. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in any of our supply chains. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the HR Manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

5. Communication and awareness of this policy

5.1. Our zero-tolerance approach to modern slavery must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter.

6. Review

6.1. Following its initial adoption, this Anti-Slavery and Human Trafficking Policy will be reviewed by the Company's Board of Directors on a regular basis (at least annually) and may be amended from time to time. This Policy will be used to inform our Statement on Slavery and Human Trafficking which will be published no later than the publication of our 2017 financial results.

Recommend for adoption by the Board

Date of Adoption: 24th June 2016

Date of review and re-adoption: 23rd May 2019

Next Review: 22nd May 2020

Dear Sir/Madam,

MODERN SLAVERY AND HUMAN TRAFFICKING POLICY

I am writing to all Hydro's key suppliers and business partners to introduce our Modern Slavery and Human Trafficking Policy, a copy of which is enclosed, and reinforce our zero-tolerance approach in this area.

Modern slavery is a term used to encompass slavery, servitude, forced and compulsory labour, bonded and child labour and human trafficking. Victims are coerced, deceived and forced against their free will into providing work or services.

Hydro International will not engage in any form of modern slavery, and this principle extends to all agents, intermediaries, consultants, distributors, sub-contractors, suppliers and joint venture partners, who act on behalf of Hydro International, or with whom Hydro International conducts business, as well as directors, employees and agency workers.

We are committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers and other business partners, and we are evolving and updating our contracting processes and contracts to include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. We expect our suppliers to hold their own suppliers to the same high standards.

Hydro is committed to acting ethically and with integrity in all our business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own businesses or those of our suppliers and business partners. We are asking for your support of our approach and for you to implement provisions consistent with our policy through your own organisation and your supply chain.

Should you encounter any specific instances of concern, or have any queries regarding this policy please feel free to contact me.

Roger Crook
Director

