

Modern Slavery and Human Trafficking Statement

Modern Slavery Act 2015

1. Introduction

This statement is made on behalf of Qualitrol and is issued pursuant to our obligations under the UK's Modern Slavery Act 2015 (“**MSA**”).

Qualitrol is referred to herein as the “**Company**”.

These obligations comprise releasing a statement, signed by a Director, which details the steps the **Company** have taken to ensure that slavery and human trafficking are not taking place in our supply chains or in any part of their businesses.

The statement refers to our financial year ended 31 December 2020. We have, however, also described in this statement actions and policies implemented since that time.

2. Organisational structure, business and supply chains

The Company forms part of the Fortive Group (“**Fortive**”), an international group of corporate entities whose principal activity is the production and supply of high quality, specialist technology to solve customers’ critical needs.

The Company is organized into three divisions (referred to herein as the “**Division**” and/or the “**Divisions**”):

- **Qualitrol (UK)**, specialized in the condition-based monitoring across the globe for utility assets;
- **West Control Solutions (UK)** which primary business is the design, development and manufacture of Temperature controls used in a variety of commercial and industrial products across a variety of industries; and
- **Gems Sensors Ltd** which principal activity is the design and manufacture of liquid level, flow switches and pressure switches, sensors and transducers, miniature solenoid valves, and pre-assembled fluidic systems.
- As of November 2019, West Control Solutions and Gems Sensors Ltd report under the same business unit, Gems Sensors & Controls Inc.

All three divisions operate both within and at the top of a global supply chain across multiple commodities.

Key countries each divisions source from:

- UK
- China
- India
- France
- Germany
- Czech Republic
- Sweden
- Lithuania
- Belgium
- USA

3. The Company’s policies in relation to slavery and human trafficking

Our Company and its wider group deplore human trafficking and modern slavery in all its forms. We support the MSA and its underlying aims.

It is the established policy of the Fortive Group that workers at supplier facilities have the right to freely choose employment. Fortive further expects that all suppliers who do business with Fortive and its subsidiaries will comply with all applicable laws, including the laws against forced or involuntary labour, and this expectation is embodied in Fortive's Supplier Code of Conduct, available [here](#). The Company wholeheartedly supports these values and objectives.

A significant portion of Fortive's Supplier Code of Conduct addresses labour standards. This part of the Code of Conduct mandates fair treatment in terms of remuneration and working conditions and prohibits abusive, violent or demeaning conduct towards employees as well as precluding all forms of involuntary or child labour, including prison, bonded or indentured labour, and engagement in any form of human trafficking, as well as all forms of discrimination.

4. Due diligence processes in relation to slavery and human trafficking

Our methodology is to conduct risk assessments, based on the Global Slavery Index ("GSI") and other bodies of empirical research which highlight particular sectors where slavery is prevalent. Risk assessments are carried out annually by each division's supply chain leaders with support from Fortive Corporate Supply Chain team. Details of the Supplier Risk Management process are available to all employees of the Company on the internal Fortive Sharepoint.

These checks involve engaging with suppliers in relation to slavery and trafficking issues, considering the content of statements issued pursuant to Section 54 (where available), sending questionnaires designed to elicit relevant information to gauge a supplier's slavery and trafficking risk or where considered appropriate by following up with meetings or supplementary requests for further information. Where available, we will review the content of statutory slavery statements issued by organisations pursuant to Section 54. We also intend to pay particular attention to the practices of those suppliers who enjoy the highest levels of business with us.

Completed Risk Assessments are stored centrally on the FortiveProcurement.com. in addition to the risk assessment, bot scheduled and unscheduled inspections of key supply sites take place throughout the year, either by division Supply Chain leads or the Fortive Supply Chain team.

Whilst inspection visits to key supply sites would normally take place as part of the risk assessment process, all assessments were completed remotely due to COVID travel restrictions. In person inspection will resume as soon as it is safe to do so. All those on the preferred supplier list have been risk assessed by the Fortive corporate Supply Chain Team prior to inclusion

5. Parts of our business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps we have taken to assess and manage that risk

The Company is engaged in an on-going risk assessment exercise designed to identify areas of risk within its supply chain. We consider that the areas of highest risk come from suppliers who make use of facilities in those countries where the GSI indicates an elevated slavery and trafficking risk. We are aware, for example, that some manufacturing installations in Asia are known to have exploited bonded labour.

Consulting the GSI, however, we are advised by GSI that we have no direct suppliers based in areas of the world which are considered to be medium or high risk. Fortive have a preferred supplier list which the divisions in Qualitrol adhere to. As stated above, all those on the preferred supplier list have been risk assessed by the Fortive corporate Supply Chain Team prior to inclusion.

Whilst we have no information to suggest any of these suppliers are tainted by practices of forced labour or trafficking, we fully realise the importance of remaining vigilant and keeping this under review. This is the reason for our annual divisional risk assessments. [Our preferred process would be to first work with any supplier to remediate (if possible and appropriate) any untoward issues that come to light, but ultimately we reserve the right to terminate any business arrangements that our not compliance with our standards for suppliers.]

Equally, we do not lose sight of the fact that modern slavery and human trafficking practices are also occasionally found in the UK, albeit on a smaller scale. Closer to home, therefore, we do not forget that certain industries may be prone to exploit low-skilled, low paid or migrant workers and require them to work in conditions or under terms that are unacceptable. UK suppliers and contractors are therefore to the same level of scrutiny as international suppliers.

We are aware that certain employment agencies can have an elevated slavery and trafficking risk, particularly where they make travel arrangements or other arrangements on behalf of workers coming to the UK. The Company, makes limited use of such agencies, but where it does we remain equally vigilant and ensure that employment agencies are subject to the same due diligence as our other suppliers. Furthermore, where we deem it appropriate, we will ask questions about candidates during the recruitment process which are designed to spot red flags and determine whether there could be problems. We are introducing a MSA statement and declaration into our onboarding packs for new starters in 2020.

6. Training about slavery and human trafficking available to our staff

The Company implemented and will continue to use training programs for our staff, concentrating in particular on those areas of the organisation where personnel are most likely to come into contact with slavery or human trafficking.

As of April 2020, the global MyLearning platform was rolled out across all Fortive OpCos. This system tracks all learning and is now the platform through which all compliance training is rolled out and monitored. Compliance training is managed centrally by the Fortive Compliance Team and is run on an annual cycle. The next training roll-out on forced labour is released in June 2021.

Fortive corporate Supply Chain regularly circulates fact sheets and guidance about modern slavery and trafficking to our staff with a view to raising awareness within the organisation, directly through management channels, on our internal MS Teams Channels and through email. Regular updates are circulated from Fortive Trade Compliance Team directly to the Supply Chain teams to ensure they are kept up to date with any changes to policy or process.

7. Effectiveness in ensuring that slavery and human trafficking is not taking place in our business or supply chains, measured against such performance indicators as are considered appropriate

The Company keeps its slavery and human trafficking policies and due diligence processes under review to ensure their effectiveness in achieving the desired results. To achieve this end, each Division applies KPIs as metrics to determine whether the Company's policies and procedures are producing the desired effect, such as:

- a) The fulfilment of our due diligence program on selected suppliers within the relevant financial year;
- b) This was completed in 2019, with the addition of site visits to key suppliers.
- c) The audit process not having given grounds for any concerns regarding modern slavery or human trafficking and CRS not having otherwise received reports of suppliers being complicit in such practices;

- The risk assessments in 2019 were completed and no concerns raised. Key suppliers have all demonstrated compliance to our Fortive standards
- d) The completion of training for all key procurement and supply management personnel as well as others and the completion of follow-up quizzes by attendees, which we expect to demonstrate a high level of understanding of the subject matter;
- Informal and formal training by the Fortive Compliance team has taken place across each of the supply chain teams. Formal online refresher training through MyLearning will take place in June 2021.
 - The implementation of an operational whistleblowing facility for staff to enable them to report suspicions of modern slavery or human trafficking occurring in the business or supply chain; The Fortive SpeakUp program is widely communicated both internally and across our supply base.
- e) Incorporation, within the financial year, of a set of values into the manual with which suppliers and franchisees are required to comply.
- Our Modern Slavery Act Statement forms part of our service agreements and is a key element of our Supplier Risk Management process. Per above, we will not do business with any Supplier who is found to have breached our standards.

Our risk assessment processes are regularly reviewed and audited as part of our site ISO 9001:2015 quality process.

In the spirit of continuous improvement, the Supplier Risk Assessment policy and process will be reviewed and where necessary updated across all three divisions: Qualitrol, Gems Sensors UK and West Control Solutions by August 2021.

8. Approval

This statement has been approved by the board of directors of the Company, which have delegated approval of this statement on its behalf to the Directors of each of functional businesses in the Company.

Andrew McCauley

[Andrew McCauley \(Jan 21, 2022 08:59 EST\)](#)

Andrew McCauley

President

Qualitrol