

Modern Slavery Statement

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that MG Motor UK Limited (MG Motor UK) has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. MG Motor UK will not tolerate forced labour (including human trafficking) or child labour in our operations and we conduct internal checks of our manufacturing locations and key suppliers to ensure compliance. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

This statement relates to actions and activities during the financial year 1 April 2019 to 31 March 2020.

Our business

MG Motor UK has sold vehicles in the UK since 2008. MG Motor UK employs around 40 people through its UK Operations.

Our cars are manufactured within 1 of 2 manufacturing plants in China and we have confirmed with each of these manufacturing plants that the processes are in place and working to prevent forced labour (including human trafficking) or child labour in either its plants directly or in the direct supply chain.

In addition we regularly check other key suppliers operating within Europe and the Rest of World to gain the above assurance.

Our policies

The organisation operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

Risk assessments:

- The Purchasing function will be responsible to analyse and assess the Company Supply Chain by spend and Country, assessing the supply chain risk by world area of Supplier location
- The Health and Safety function will be responsible for conducting internal annual risk assessments to ensure full adherence is achieved to any legal requirements of the UK business.

Human Trafficking:

- The company is not aware of any circumstances to date that may have identified Human Trafficking. Should an example ever come to light the Purchasing department or Human Resources department in conjunction with the legal department (where appropriate) will have an obligation to complete a full investigation in accordance with this policy. All possible transgressions will be investigated with reference to our relevant policy and inclusion in our Standard Terms of Purchase, Agreements for the Supply of Services, Confidentiality Agreements and HR Policies. SMTC UK will have zero tolerance to any instances brought to our attention, or found, with strict and swift route cause eradication.
- **Whistleblowing policy** The organisation encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organisation. This includes any

circumstances that may give rise to an enhanced risk of slavery or human trafficking. The organisation's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation. Employees, customers or others who have concerns can use our confidential disclosure form.

- **Employee code of conduct** The organisation's code makes clear to employees the actions and behaviour expected of them when representing the organisation. The organisation strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.
- **Recruitment policy** The organisation uses 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. A face to face meeting is held with any new agency used and a check is undertaken of their website to read the public policy.
- **Supplier/Procurement code of conduct;** The organisation is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they understand their need to provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. The organisation works with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of the organisation's supplier code of conduct will lead to the termination of the business relationship.

Our Suppliers

MG Motor UK operates a supplier policy and maintains a preferred supplier list. We conduct due diligence on all suppliers before allowing them to become a preferred supplier. This due diligence includes an online search to ensure that particular organisation has never been convicted of offenses relating to modern slavery and (where necessary) on site audits which include a review of working conditions where applicable. Our anti-slavery policy forms part of our contract with all suppliers and they are required to confirm that no part of their business operations contradicts this policy.

Due diligence

The organisation undertakes due diligence when considering taking on new suppliers, and annually reviews its existing suppliers. Mapping the supply chain broadly to assess particular product or geographical risks of modern slavery and human trafficking;

- Evaluating the modern slavery and human trafficking risks of each new supplier.
- Using world countries of risk mapping:

<https://www.globalslaveryindex.org/2018/data/maps/#prevalence>

- Suppliers can be checked for their labour standards, compliance in general, and modern slavery and human trafficking in particular; and
- Invoke sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship.

Training

The organisation requires all staff working in Purchasing and Human Resources within the organisation to complete training on Modern Slavery and Human Trafficking

The organisation's modern slavery training covers:

- Our business's purchasing practices, which influence supply chain conditions and which should therefore be designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage, or the provision of products by an unrealistic deadline;

- How to assess the risk of slavery and human trafficking in relation to various aspects of the business, including resources and support available;
- How to identify the signs of slavery and human trafficking;
- What initial steps should be taken if slavery or human trafficking is suspected;
- How to escalate potential slavery or human trafficking issues to the relevant parties within the organisation;
- What external help is available, for example through the Modern Slavery Helpline, Gangmasters and Labour Abuse Authority and "Stronger together" initiative;
- What messages, business incentives or guidance can be given to suppliers and other business partners and contractors to implement anti-slavery policies; and
- What steps the organisation should take if suppliers or contractors do not implement anti-slavery policies in high-risk scenarios, including their removal from the organisation's supply chains.

Approval for this statement

This statement was approved by the Board of Directors

Name: Mr Wang Hao (Managing Director)

Signature:

A handwritten signature in black ink, appearing to be 'Wang Hao', written over a light blue horizontal line.