

LUCY GROUP SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR 2022

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 three 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"). In 2022 the Group had over 1610 employees worldwide operating in the UK, India, the Middle East, Africa, Asia and South America.

THE GROUP'S BUSINESSES

The Group's business is organised into three diverse business units: Lucy Electric, Lucy Controls and Lucy Real Estate, supported by head office in Oxford. Lucy Electric and Lucy Controls both operate domestically and internationally with Lucy Real Estate operating only in the UK. Lucy Electric manufactures and sells high-performance medium voltage switchgear for utility, industrial and commercial applications. Following the acquisition of Romanian company Flashnet SA in June 2022, Lucy Controls has three distinct businesses. Flashnet SA manufactures and sells street lighting control systems in Europe, USA and the Middle East. Lucy Zodion manufactures and sells street lighting control systems and Lawson Fuses Ltd manufactures high-rupturing capacity (HRC) low voltage fuses. Lucy Real Estate owns, lets and manages a substantial property portfolio and develops residential property for sale in Oxfordshire.

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, Thailand and Brazil. Within Lucy Controls, Flashnet SA's supply chain is predominantly based in the EU. Due diligence conducted on Flashnet prior to acquisition did not raise any modern slavery concerns and we will commence work with Flashnet to ensure their procurement processes address modern slavery risks. Lucy Zodion's supply chain is mainly domestic situated near its factory in Sowerby Bridge with suppliers in Asia Pacific and Europe as well as internal group suppliers. Lawson Fuses Ltd is based in Newcastle with its main suppliers based in the UK and India. Lucy Real Estate's supply chain is all UK-based with the majority based in Oxfordshire. Lucy Real Estate is increasingly contracting directly with its building works suppliers rather than engaging such suppliers via third parties.

THE GROUP'S POLICY ON SLAVERY AND HUMAN TRAFFICKING, RELATED PROCESSES AND SUPPLIER DUE DILIGENCE

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>. As part of our on-going efforts to identify and mitigate risk our steering committee comprised of representatives from each business unit and Lucy Group Ltd, continues to oversee the Group's continuing compliance with the Modern Slavery Act. The main aim 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 and that all businesses continue to improve their supplier vetting processes. We encourage a culture of continuous improvement. Our business units have improved supplier vetting processes including processes for existing suppliers to ensure we are sensibly addressing the risks within our supply chain and Lucy Real Estate in particular is very aware of the risks in the construction industry. We will continue to engage with all our suppliers across all business units to ensure their compliance with our Modern Slavery Policy.

SUSTAINABLE DEVELOPMENT FRAMEWORK

Lucy Group is committed to a sustainable future. We have created a Framework based on the United Nations Sustainable Development Goals (UN SDGs) to place people and the planet at the heart of everything we do. Our selected goals and targets concentrate on the key issues relevant to the Group by providing a balanced approach across these three interlinked pillars: People, Planet and Progress. Within these pillars we have selected seven priority areas including our commitment to support human rights and fair labour practices for our stakeholders. We will measure our performance against a CSR Scoring Matrix based on ISO 26000 (Social Responsibility).

We continue to expect suppliers to sign up to our Supplier Code of Conduct, which outlines our expectations on ethical behaviours and compliance with applicable laws, including human rights and labour rights, preventing slavery and forced labour and allowing freedom of association where permitted by law. We assess our suppliers' risk regarding Modern Slavery through a detailed questionnaire and suppliers who cannot show commitment to addressing such risks are removed as soon as practicable.

NEXT STEPS

In addition to the efforts outlined above during the 2022 financial year and beyond we intend to take the following further steps to reduce the risks of slavery and human trafficking occurring within our businesses and that of our supply chains:

- We are preparing a programme to roll out our new Global Procurement Policy to improve our procurement processes which we believe will help reduce the risks of slavery and human trafficking occurring within our businesses and that of our supply chains and we will work with our new subsidiary Flashnet SA in Romania when we roll out our new Global Procurement Policy.
- We plan to remind all staff about our whistleblowing policy and the availability of an external whistleblowing hotline to raise concerns about modern slavery.
- We will focus on seven key areas for development across the three pillars of People, Planet and Progress setting short, medium and long-term targets to monitor our advance which will include enhanced processes for auditing the compliance of our supply chains with our modern slavery policy.
- As Lucy Real Estate increasingly acts as prime contractor dealing directly with suppliers Lucy Real Estate will focus on the training of its staff, especially site managers, and will carry out audits of its construction sites to help reduce the risks of slavery and human trafficking occurring within its supply chains and construction sites.

This statement is approved by the Board of Lucy Group Ltd and 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 2022.



RICHARD DICK, EXECUTIVE CHAIRMAN
LUCY GROUP LTD

Date: 8 June 2023