



LODGE TYRE

Co.Ltd



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**Modern Slavery Act 2015:
Slavery and Human Trafficking Statement**

Introduction

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 (the Act) and sets out the steps that The Lodge Tyre Company Ltd (the Company) have taken and will be taking to ensure that slavery and human trafficking is not taking place in any part of our business.

The Company is committed to running its business responsibly, striving to maintain high ethical principles and having respect for human rights. One of our core values is to behave, and to be recognised as a good citizen in the communities in which our business operates. As part of this value we are aware of our legal and moral obligations towards combatting forced, bonded or compulsory labour, human trafficking and other kinds of slavery and are committed to monitoring and improving our practices in this area on an ongoing basis.

The Company does not knowingly conduct business with individuals, agencies or companies that conduct, support, condone or facilitate human trafficking or slavery.

Our business

The Lodge Tyre Company Ltd was founded by George Edmund Lodge in August 1935, selling car tyres and accessories to what was then an emerging market. From these small beginnings the business has grown into one of the largest independent tyre service provider in the UK, servicing both the commercial and retail markets from our extensive depot network throughout the Midlands, North West, North East and East Anglia. Our extensive service provision is conducted from a fleet of over two hundred and fifty fully equipped service vans, offering a complete tyre management service including mobile fleet support, 24 hour breakdown assistance and commercial wheel alignment. At present there are 400 people employed throughout the Company, with a turnover of £50 million in 2017.

Our policy on slavery and human trafficking

We are committed throughout the group to high standards of corporate governance which we consider are critical to business integrity and to maintaining investors' trust in us. We expect all of our directors, employees and suppliers to act with honesty, integrity and fairness. Our business principles set out the standards we set ourselves to ensure we operate lawfully, with integrity and with respect for others. As part of this commitment, we are committed to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains or in any part of our business. We fully acknowledge our responsibility to respect human rights as set out in the **International Bill of Human Rights** and we are also committed to implementing the **United Nations Guiding Principles on Business and Rights** throughout our operations.

Our supply chain

Our Company sources a wide range of goods and services from suppliers based both in the UK and overseas. In all of our dealings with those suppliers we strive to ensure that the highest ethical standards are reached at all times. As part of our tendering process, we require our suppliers to support and demonstrate our values, which is an essential component of our approach to Corporate Social Responsibility.

Employees and training

All new employees are subject to pre-employment checks to confirm their identity and eligibility to work in the UK prior to their starting work within the Company. Information is provided to all employees on their statutory rights including sick pay, holiday pay and any other benefits they may be entitled to by virtue of their employment. We pay all our employees at least the living or minimum wage as relevant. These procedures collectively help to address our on-going commitment to protect our employees' human rights and the elimination of all forms of forced and compulsory labour.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our Company, all Directors have been briefed on the subject and we provide training to relevant members of staff. Through this training, as well as through Group wide internal communications, all employees are encouraged to identify and report any potential or actual wrongdoing that they consider to be negligent, improper or illegal to a designated person. This information will be kept strictly confidential.

Further steps and supplier due diligence

We believe that the risk of slavery and human trafficking within our own organisation is substantially mitigated as a result of our strong collective sense of vision and purpose, our cultural values and commitment to ethical behaviour, supported by our policies and procedures, however, we are not complacent and we recognise that there is always more than can be done. We will continuously seek to develop our practices where possible and to work with our suppliers and contractors to be as certain as we can be that they hold the same values as us.

Wherever possible, we will expect suppliers to have suitable anti-slavery and human trafficking policies and processes within their business and to cascade those policies to their suppliers. Our standard supplier contractual terms and conditions will be revised to include a provision requiring suppliers (and each of their sub-contractors) to comply with the Act. The standards we expect will address a broad spectrum of working conditions including fair remuneration, working hours, no child labour, respect, non-discrimination, health, safety and wellbeing, as well as freedom from forced labour.

As part of any tender process, we will ask prospective suppliers to confirm compliance with the Modern Slavery Act at the pre-qualifying questionnaire stage. We will not progress to working with any supplier which does not comply with the Act.

We will also commence an audit programme, initially on a risk based approach, within our existing supply chain to verify compliance with the Act and throughout the life cycle of any supply agreement we reserve the right to conduct audits on our supplier contracts. We will assess any instances of non-compliance on a case-by-case basis, taking any remedial action accordingly.

Approval by the Directors

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and has been approved by The Lodge Tyre Company Ltd Board of Directors.

What is not acceptable?

It is not acceptable for you (or someone on your behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- Give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure;
- Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- Threaten or retaliate against another employee or person working on behalf of or representing the Company who has refused to commit a bribery offence or who has raised concerns under this policy; or
- Engage in any activity that might lead to a breach of this policy.

Facilitation Payments and Kickbacks

The Company does not condone facilitation payments or “kickbacks” of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. Kickbacks are typically payments made in return for a business favour or advantage.

You must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted. You should always ask for an invoice or a receipt which details the reason for the payment.

Donations

We do not make contributions to political parties. We only make charitable donations that are legal and ethical under established laws and practices.

Reporting

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the group or under our control. All employees and other representatives are required to avoid any activity that might lead to, or suggest, a breach of this policy. You must notify your line manager as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future, Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

Record Keeping

The Company keeps financial records and has appropriate internal controls in place to evidence the business reason for making payments to third parties. Accordingly, you must ensure that all expense claims relating to hospitality or gifts incurred by you on behalf of the Company for the benefit of a third party are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

In addition, you must declare and keep written record of all hospitality accepted, whether in excess of £250 or not, as well as any gifts received with a financial value perceived to be in excess of £25.

How to Raise a Concern

You are encouraged to raise concerns about any issue or suspicion of corruption at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, you should raise them with your line manager.

Protection

Employees or those who are acting on behalf of the Company who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions.

The Company encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. The Company is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future.

Training

Training on this policy should form part of the induction process for all new employees. All existing employees will receive regular, relevant updates on how to implement and adhere to this policy.

Responsibility for this Policy

The Company's Board of Directors have approved and issued this policy as part of its overall responsibility for ensuring the group complies with its legal and ethical obligation, and that all those under the Company's control comply with it.

Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy, and are given adequate and regular training on it. Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

Monitoring and Review

Our Finance Director will monitor the effectiveness and review the implementation of this policy regularly, and will report to the Board of Directors on its suitability, adequacy and effectiveness. Any improvements identified by the Board of Directors will be made as soon as possible.

Employees and those who are acting for or on behalf of the Company are invited to comment on this policy and suggest ways in which it might be improved.

Appendix – Potential Risk Scenarios or “Red Flags”

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us you must report them promptly using the procedure set out above:

- You become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with foreign government officials;
- A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- A third party requests an unexpected additional fee or commission to “facilitate” a service;
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- A third party requests that a payment is made to “overlook” potential legal violations;
- A third party requests that you provide employment or some other advantage to a friend or relative;
- You receive an invoice from a third party that appears to be non-standard or customised;
- A third party insists on the use of side letters or refuses to put terms agreed in writing;
- You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- You are offered an unusually generous gift or offered lavish hospitality by a third party.