

DIALIGHT MODERN SLAVERY ACT: 2022 s54 STATEMENT

The below statement was approved by the Board of Directors of Dialight plc on 1 February 2022.

MODERN SLAVERY ACT 2015 – s54 STATEMENT

Introduction. Dialight plc and its affiliates (**Dialight**) fully support the UK's zero tolerance policy on modern slavery and human trafficking and is committed to ensuring that our business safeguards against such practices. Sustainability is the key driver of our long-term corporate strategy and Dialight understands that sustainability is not simply an environmental or technical concern but a value that applies equally to the human resources impacted by our supply chain. As such, we continually review and update our processes and procedures to make our work force and business partners are aware of the risk of modern slavery and human trafficking activities.

Overview of Dialight's business. Dialight is a global lighting solutions business that manufactures and sells LED lighting products into the industrial market. Our LED lights are designed to work in harsh environments, providing business critical lighting in the most challenging natural and artificial conditions possible. Dialight also has a signals and components division which sells electronic components, traffic lights and niche vehicle lights. We operate through a combination of manufacturing partnerships and in-house manufacturing capacity.

Dialight group structure. Dialight plc is the corporate group's ultimate holding company, with its shares listed on the main market of the London Stock Exchange. Including branches and joint ventures with third parties, Dialight has a business presence in the UK, USA, UAE, various European jurisdictions, Singapore, Malaysia and Australia.

Identifying risk of exposure to modern slavery practices. The Dialight Compliance & Legal team operates as the function within the organisation with responsibility for updating and publishing this s54 statement in each financial year, working with Dialight's supply chain team to supervise the operation of our anti-slavery policy, and provide training to Dialight staff.

Dialight's existing supply chain. Our supply chain is our single greatest risk area for exposure to modern slavery practices and human trafficking, particularly our operations in Mexico given the country's ranking in the global slavery index. Dialight has a global network of suppliers but our key partners are primarily based in the USA, Mexico, Asia and Europe. Dialight currently operates the following in-house manufacturing sites: Ensenada and Tijuana, Mexico; Penang, Malaysia; and, Roxboro, North Carolina, USA.

Current due diligence on new suppliers. Before Dialight contracts with new suppliers, its supply chain team will work with our quality assurance department to ensure that the candidate supplier has a proper quality assurance system in place, and sufficient capacity to supply Dialight requirements and comply with regulations applicable to the commodity or services we procure. On site supplier audits are performed by Dialight supply chain specialists as and when necessary. Before new supply agreements are signed, the Finance and Legal functions will undertake appropriate due diligence on the relevant supplier group (including a search against specialist watch-lists for reported illegality, regulatory breaches and non-compliance with sanctions etc). Only after the new supplier has satisfied all of these requirements will they achieve Dialight 'approved vendor status' and be added to the Dialight approved vendor list. Dialight's suppliers are generally required to contract on Dialight's General Conditions of Purchase, which explicitly require the customer to comply with the UK Modern Slavery Act 2015.

Outbound supply chain. Dialight serves customers directly and via wholesale distributors. With both types of arrangements, the underlying commercial contract is reviewed and negotiated by the Dialight Legal function, with local law advice sought when necessary from external law firms or regulatory experts. It is Dialight's starting position to ask customers to sign up to its standard form terms & conditions of sale and/or distribution agreement. Both documents require the customer to comply with Dialight's policies.

Dialight employment procedures. All Dialight employees, both permanent and temporary, are employed on local contracts of employment in line with local market standards. 'Right to work' checks are undertaken by our HR team for all new employee hires and we only use reputable recruitment agencies of proven quality.

Dialight business ethics framework. In keeping with Dialight's commitment to act ethically, sustainably and with integrity in all its business dealings, our suite of business integrity & ethics policies are mutually supportive and ensure that no modern slavery practices or human trafficking activities are tolerated in any part of our business.

Business Integrity & Ethics Code. Dialight's Business Integrity & Ethics Code is the overarching document that sets out, in practical common-sense terms, what acting with integrity and ethically means on a day-to-day basis. We aim, where possible, to apply the code to all our business partners around the world, including suppliers, agents, representatives, distributors and

consultants. It sets out the type of working environment Dialight seeks to create (ie where there is respect for fundamental human rights and where forced labour is not tolerated).

Business Partner's Policy. This short-form policy sets out the basic business standards required from our business partners, including sales agents or representatives, consultants, distributors, suppliers and sub-contractors. It is publicly available and explicitly states that our business partners should maintain their own anti-slavery & human trafficking policies and generally operate in accordance with the UN Universal Declaration of Human Rights.

Anti-Bribery & Corruption policy. This internal policy outlines Dialight's position on preventing bribery, in accordance with the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act of 1977. Dialight does not tolerate any form of bribery or corruption within or outside the organisation. Given that many examples of modern slavery practices and human trafficking activities go hand in hand with corrupt business practices, we consider that this policy would also identify and prevent scenarios whereby modern slavery may be a factor.

Whistleblowing policy. Dialight believes a discreet and effective whistle blowing procedure is essential for encouraging an environment of openness and integrity. Dialight's anonymous, and externally facilitated, whistleblowing hotline, available to all employees, offers employees a confidential mechanism by which complaints can be raised within the organisation.

Modern Slavery Awareness: steps taken by Dialight in 2021. We have previously implemented a group wide anti-slavery policy, which has been approved by the Dialight board and circulated to all employees. The policy sets out what modern slavery and human trafficking practices are, the relevant warning signs and how to respond. This policy is reviewed and updated each year (as required). During the year we undertook detailed internal audits on supply chain risks – including the review of employee and agency worker contracting and engagements.

Next steps: new measures for 2022. Dialight will use a third-party training services provider to refresh its global compliance training program, including use of an anti-slavery module. This training will include a short interactive course on modern slavery. We will also continue to monitor and audit the effectiveness of our anti-slavery compliance program.

Board Approval. This statement has been approved by the Dialight board of directors.

CEO Endorsement:

I fully support and agree with this s54 Statement as required under the UK Modern Slavery Act 2015.

Fariyal Khanbabi
CEO, Dialight plc