



Slavery and Human Trafficking Statement

Introduction

This statement sets out Howco Group's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains.

Organization's Structure

Howco Group is a result orientated service provider to the Oil and Gas industries, supplying specialty metals, added value services and manufactured products. With continuous operational improvements, we are committed to treat our customers, suppliers and employees with innovation and flexibility, in an environment that treats all with respect and dignity. We operate throughout the world and have offices in North America, United Kingdom, Asia Pacific, Norway and the Middle East.

Responsibility

Howco is committed to maintaining and improving process designed to reduce the possibility of complicity in human rights violations related to our own operations, our supply chain, and our products. Howco recognizes that slavery and human rights trafficking can occur in many forms such as forced labor, child labor, domestic and indentured servitude, sex trafficking, and workplace abuse. In this statement, we use the term "slavery and human trafficking" to encompass the various forms of coerced labor outlawed by the Act.

Relevant Policies and Due Diligence

We always endeavor to achieve and maintain the highest ethical standards. We comply with all laws, regulations, and rules relevant to our business. We safeguard our reputation. We take our responsibilities to our stakeholders very seriously, including all of our employees and the communities in which we operate.

That is why we have company policies that apply to each of our facilities, which require fair treatment of our employees. We expect the same high standards from our suppliers. To this end, we are committed to ensuring that there is no slavery and human trafficking in any part of our businesses or our supply chain.

The organization 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.

- **Whistleblowing policy** – Howco encourages all of its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organization. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The organization'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 helpline – Howco HelpLine @ 1.855.522.7040 or via the web @ www.howcogroup.ethicspoint.com.



- **Employee code of conduct** – Howco’s Code of Business Conduct makes clear to employees the actions and behavior expected of them when representing the organization. The organization strives to maintain the highest standards of employee conduct and ethical behavior when operating abroad and managing its supply chain.

Our **Code of Business Conduct** includes a new section specifically covering anti-slavery and human trafficking, and which is set forth here as well:

Howco recognizes that modern slavery is a crime and a violation of fundamental human rights. The Company strives for a zero tolerance approach to modern slavery. It does not tolerate modern slavery, to include human trafficking, compulsory labor (including child labor), or illegal exploitation in any form and will take appropriate action if any such violations are discovered. Howco is committed to acting ethically and with integrity wherever it operates and in implementing and enforcing systems and controls proportionate to the risk to ensure modern slavery is not taking place in its operations or supply chain. The Company communicates its zero tolerance approach to suppliers and expects our suppliers will hold their own suppliers to the same standards.

- Recruitment/agency workers policy – Howco uses only specified, reputable employment agencies to source labor and always verifies the practices of any new agency it is using before accepting workers from that agency.

In support of our modern slavery policy, Howco includes additional enquiries in its procurement processes for goods and services in locations that are assessed as having a high risk of modern slavery and/or human trafficking in our terms with third parties for the supply of goods and services.

In addition, as part of our initiative to identify and manage slavery and human trafficking risk:

- We are looking to build and improve our systems to better (i) identify, assess and monitor potential higher risk areas in our supply chains; (ii) mitigate the risk of slavery and human trafficking occurring in our supply chains through enhanced contract term controls (to the extent appropriate and obtainable); (iii) train Howco’s relevant employees as to these risks and the need to manage them; and (iv) protect whistleblowers;
- We build relationships with reputable suppliers and ensure that expectations of business behavior are both clear and consistent; and
- Where appropriate, (i) we expect our direct suppliers to have suitable anti-slavery and human trafficking policies and processes; and (ii) we will communicate our expectation that those suppliers must prohibit modern slavery and human trafficking in the supply chain and that they should work with their suppliers at each stage in their supply chains to manage slavery and human trafficking risk.



Effectiveness

We use the following indicators to demonstrate how effective we are in dealing with the risk of slavery and human trafficking in our business or suppliers.

We will monitor our performance against the following:

- Training on modern slavery (see below);
- Developing a system for supply chain identification, including, where appropriate, adding slavery and human trafficking enquiries and controls to our procurement policies;
- If relevant, continuing to ensure that we pay employees above minimum wage/living wage plus benefits;
- Where appropriate asking specific questions on modern slavery as part of our procurement processes; and
- Inclusion of a clause relating to modern slavery in our terms with third parties for the supply of goods and services.

Training

Howco will provide training to educate senior management, supply chain managers, HR professionals and other relevant employees on modern slavery as a module within the organization's wider Global Code of Business Conduct.

Monitoring and Reporting

If issues are identified in relation to modern slavery and/or human trafficking, these will be reported in accordance with Howco's Whistleblowing Policy.

More general issues in relation to the running of Howco's Modern Slavery Act policy will be reported back to the Human Resources Department or Corporate Compliance Department.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our group's slavery and human trafficking statement for the current financial year.

January 2, 2017

A handwritten signature in black ink, appearing to read 'Dave Davidson', written over a horizontal line.

Dave Davidson
Chief Executive Officer