



AB Dynamics PLC, Middleton Drive, Bradford on Avon, Wiltshire, BA15 1GB, England.

T: +44 (0) 1225 860200 W: [www.abdynamics.com](http://www.abdynamics.com)

## **Modern Slavery Act 2015: slavery and human trafficking statement**

### **INTRODUCTION FROM THE BOARD**

AB Dynamics plc and its subsidiaries ('the Group') are committed to acting ethically and with integrity in all our business dealings and relationships, and implementing and enforcing effective systems and controls to ensure modern slavery in all its forms (including human trafficking, forced labour and child labour), is not taking place anywhere in our Group businesses or in any of our supply chains.

### **OUR BUSINESS**

Founded in 1982 as a specialist vehicle engineering company, AB Dynamics has grown consistently to become one of the world's most trusted global suppliers of automotive test and verification systems. Today, our customers include the top 25 global vehicle manufacturers, tier one suppliers, all 8 Euro NCAP laboratories, numerous global test facilities and autonomous vehicle developers.

### **ORGANISATION'S STRUCTURE**

AB Dynamics plc ('the Company') is the ultimate holding company of Anthony Best Dynamics Limited, AB Dynamics Europe GmbH, AB Dynamics GK, AB Dynamics Inc, Kangaloosh Limited ('rFPro') and Dynamic Research Inc. ('DRI') hereinafter referred to as 'the Group'. The Company was admitted to trading on AIM on May 22<sup>nd</sup>, 2013. The Company is incorporated in England (registered number 8393914) which is also its country of operation. The Company's registered office is Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB. The Group has offices in the UK, USA, Germany and Japan.

### **PREVIOUS MANAGEMENT OF MODERN SLAVERY**

The Group has over 260 employees worldwide, with subsidiaries based in the major advanced economies of the UK, USA, Germany and Japan, all of which have strong legislation governing human rights.

### **Our Policies on Slavery and Human Trafficking**

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our modern slavery policy reflects our commitment to acting ethically and with integrity in all our business relationships. Whilst this policy is available to all staff via our intranet and on request, the company has not to date provided any further specific training to employees.



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### **Whistleblowing**

The Group also has an internally published whistleblowing policy, which provides the framework to encourage and give employees confidence to 'blow the whistle' and report irregularities including any in relation to slavery and human trafficking. The Board aims to encourage openness and will support staff who raise genuine concerns in good faith under this policy, even if they turn out to be mistaken.

### **Current Approach**

The Group's current approach towards suppliers is that each operating business is responsible for the management of their suppliers, including each suppliers' adherence to Group policies and procedures. Prior to the acquisition of DRI, the Group's only manufacturing facilities were based in the UK. The majority of the Company's suppliers were based in the UK, Europe and the US and these were reviewed and audited for their modern slavery compliance on an ad hoc basis.

However, we are dedicated to improving our practices to combat slavery and human trafficking, as such following a review of the effectiveness of the current approach, the Board no longer believes it is sufficient or appropriate to ensure effective compliance around the world.

### **OUR SUPPLY CHAINS**

Our supply chain now includes over 800 live suppliers, with a procurement spend of ca. £29m per annum. The majority of the Group's suppliers are based in Europe and the US. Whilst the Group does not currently manage its suppliers by territory, we are aware that we have at least two large non-European/US suppliers; these are based in China and Israel. The Board has noted and acknowledged that there is an increased risk of slavery and human trafficking taking place in these locations.

The top 100 of these suppliers covers 93% of our annual spend and almost all of this relates directly to materials required by our manufacturing facilities. We now have manufacturing facilities in the UK and USA (following the acquisition of DRI) with a potential to perform some assembly and servicing work in Germany.

As such, the Group has taken the decision to move away from the current method of ad hoc monitoring and auditing of suppliers, to incorporate its supplier due diligence within its new Enterprise Resource Planning ('ERP') system, with the expectation that this will significantly improve the transparency of its supply chains. However, it is unlikely that the system will be operational before 2021 hence the Group will create an interim process to manage supplier compliance and adherence to our ethics and values on a global basis.





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## INTERIM PROCESS

The Board intends to commence the implementation of the following steps, during the coming year, as part of its proposed interim process:

1. Disseminate the modern slavery and whistleblowing policies to all Group employees, and require each individual to confirm they have read and will adhere to their terms and principles; and
2. Provide Modern Slavery training to key individuals (specifically those involved in procurement and/or with responsibility for supply chain management) to make sure those who regularly interface with and/or are required to manage the Company's relationships with suppliers are fully trained; and
3. Review the Company's Standard Terms and Conditions and update the contractual obligation on our suppliers to comply with our values and ethics; and
4. Contact the Company's top 100 suppliers and get their Modern Slavery Statements/policies and/or get a statement from them confirming their compliance with the law; and
5. Review of the top 100 suppliers by territory to address any areas where the company faces a higher risk of slavery and human trafficking taking place in our supply chain; and
6. Enhance the current compliance team to include individuals from all subsidiaries.

We believe these activities will help ensure a higher level of understanding of the risks of modern slavery and human trafficking by our employees and standardise the Group's approach to supplier management (with particular emphasis on reducing any residual risk of modern slavery in our supply chain), and help ensure compliance on a global basis in the short and medium future whilst the Company's new ERP system is selected and implemented.

These measures and initiatives to counter slavery, when fully implemented by each of the businesses within the Group, should enable the Board to be confident that slavery is not taking place anywhere within the Group or its supply chain. Key Performance Indicators will be selected during the course of the year to assess the level of implementation achieved by the Company.



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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 financial year ending 2020. It was approved by the board on 19 November 2019.

A handwritten signature in black ink, appearing to be 'Dr. James Routh'.

Dr. James Routh

AB Dynamics plc

Date: 20<sup>th</sup> NOVEMBER 2019