



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

- AB Dynamics UK Holdings Ltd, AB Dynamics Overseas Holdings Ltd, AB Dynamics Singapore Holdings Pte. Ltd, Anthony Best Dynamics Limited, AB Dynamics Europe GmbH, AB Dynamics GK and AB Dynamics Inc,
- rFpro Limited and rFpro Inc
- Dynamic Research Inc. ('DRI') and DRI Advanced Test Systems Inc,
- VadoTech Pte Ltd, VadoTech Japan KK, VadoTech Deutschland GmbH, VadoTech Services Technicos SL and VadoTech US Inc, and
- Zynit Pte Ltd, and Zynit China Co Ltd

hereinafter collectively referred to as 'the Group'. The Company was admitted to trading on AIM on May 22nd, 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, Spain, Singapore, China and Japan.

MANAGEMENT OF MODERN SLAVERY

The Group has approximately 400 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. However, during the year, the Group acquired the



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VadoTech and Zynit entities in Singapore, Spain and China as well as Germany, Japan, and the USA.

Throughout the acquisition process, due diligence was undertaken on these entities, and their employees to assess the business risk of modern slavery within the entities themselves and their supply chains.

The employees are all on formal employment contracts and the entities acquired by the Company are suppliers of comprehensive automotive testing services, they do not provide or sell products and materials. They have exceedingly few sub-contractors or suppliers, only purchasing office and vehicle consumables in very low quantities. On review, the Company is confident that modern slavery is not occurring within those entities and the risk of modern slavery in their supply chains has been reviewed and is considered extremely unlikely.

Our Policies on Slavery and Human Trafficking

The Group aims to manage and mitigate the risks associated with potential human rights breaches and modern slavery and to ensure we have transparency across our subsidiaries, via the implementation of standardised policies and methodologies forming part of the Group's Global Subsidiary Governance Framework.

At a high level, appropriate governance and oversight is maintained through our new ESG (Environment, Social and Governance) Committee with the overall objective of ensuring good governance, oversight and monitoring of our supply chain and supplier relationships.

Local management teams remain accountable for: observing the operational approach set by the Group, with each manager having received appropriate briefings on these requirements; and ensuring compliance with local regulatory requirements, culture and specific business needs.

Underpinning this approach are robust policies and procedures, together with appropriate training, which gives our workforce and other business partners guidance on breaches of human rights standards (such as human trafficking, child labour) and modern slavery and the measures we take to tackle such issues within our organisation and supply chain.

We continue to believe that our exposure to the risks of human rights abuses and modern slavery is low within our business and supply chain, and we are confident that the policies and procedures that we have in relation to anti-slavery and human trafficking are in compliance with the Modern Slavery Act 2015. Further, our internal policies in relation to Human Rights and Modern Slavery are published in English on our website and are available locally for our workforce in four languages.



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Whistleblowing

The Group has published its Whistleblowing Policy online in English (at www.abdplc.com), and this policy is now also available in Japanese, Chinese, German.

We have now also implemented a Group-wide on-line whistleblowing portal through EQS Group, where employees are encouraged to raise any concerns anonymously through a third-party tool to an independent Non-Executive director of the Group.

Through this tool 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. All reports made through this tool shall continue to be investigated in line with the Group's Whistleblowing policy.

No whistleblowing reports were received during the period.

Activities undertaken within the year

In addition to the implementation of the new Whistleblowing portal which facilitates anonymous reporting and the creation of a new Human Rights Policy, the Company has completed the following activities detailed in last year's Modern Slavery Statement:

1. Disseminated the modern slavery and whistleblowing policies to all Group employees (in a language appropriate to the region: policies now available in German, Chinese and Japanese), and we have required 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. Continued to review the Company's Standard Terms and Conditions and update the contractual obligation on our suppliers to include express requirements regarding modern slavery and general compliance our values and ethics; and
4. Engaged with a further 25 of the Company's top 100 suppliers to get their Modern Slavery Statements/policies and/or get a statement from them confirming their compliance with the law; and
5. Continue to review the Company's largest suppliers (by territory) to address any areas where the company faces a higher risk of slavery and human trafficking taking



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place in our supply chain; and

6. Enhanced the current compliance team to include individuals representing all subsidiaries.

OUR SUPPLY CHAINS

This year the Group has procured a new due diligence tool: Dow Jones Risk Management to enable enhanced due diligence checks to be undertaken on the Group's third-party interfaces (including agents, customers and suppliers). Dow Jones Risk and Compliance is a global provider of regulatory compliance and risk management solutions, their tool allows the Group to perform comprehensive due diligence which supports our modern slavery checks and procedures in relation to our suppliers.

Whilst only currently available to the Groups' AB Dynamics subsidiaries, it is the Company's intention the roll out the use of the tool to all Group subsidiaries which undertake supplier engagement and procurement functions. Before suppliers are selected, checks are undertaken to make sure they are 'fit for purpose' and able to meet our high standards and contractual requirements. If any risks are identified, the Group will work with suppliers to address them.

Existing suppliers continue to be selected for audit based on supply chain risk assessments. Throughout the course of the year, these audits assess each supplier's approach to human rights, data protection, modern slavery, health, safety and environmental issues amongst other matters.

CONTINUING THE PROCESS

The Board and its ESG Committee shall continue to work on the current activities and practices (detailed at 1-6 above) to make sure these are embedded in every facet of the business. In addition to this, the Group intends to undertake the following activities this year:

1. Formalise the inclusion of Modern Slavery in its Global Subsidiary Governance Framework;
1. Include a statement in the Group's new Code of Conduct: affirming the Company's zero-tolerance approach to slavery and human trafficking within our workforce and our supply chains;
2. Select Key Performance Indicators to assess the level of implementation and compliance achieved by the Group and each subsidiary; and



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3. Roll out the Dow Jones Due Diligence tool to the Groups other subsidiaries (as appropriate) and provide further training on Supplier due diligence activities.

We believe these activities will continue to 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.

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.

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 2021.

Dr. James Routh

AB Dynamics plc

Date: December 2021