



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 Anthony Best Dynamics Limited, AB Dynamics Europe GmbH, AB Dynamics GK, AB Dynamics Inc, rFpro Limited rFpro Inc and Dynamic Research Inc. ('DRI') and DRI Advanced Test Systems Inc. hereinafter 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.

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 Current Process and 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 our website www.abdplc.com, in accordance with our Modern Slavery Statement in 2019, the policy has also been issued to every employee, and employees have been asked to acknowledge their acceptance and compliance with the policy. Currently 79% of personnel has signed to confirm their compliance. The Company has also provided extra online training for its 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.

The Group also has a whistleblowing policy which is available to employees both internally, via our intranet, and on the Group's website www.abdplc.com. This provides the framework to encourage and give employees confidence to 'blow the whistle' and report irregularities including any in relation to slavery and human



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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.

The Group's current approach towards suppliers remains that each operating business is responsible for the management of their suppliers, including each suppliers' adherence to Group policies and procedures.

OUR SUPPLY CHAINS

Our supply chain 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, and a review of these suppliers shall be prioritised in the coming year.

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 in the UK and USA. 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. In our statement last year, we stated that we intended to review how the top 100 suppliers manage their own compliance with the Modern Slavery Act (or equivalent local legislation) and this process is well underway. We have reviewed and liaised with the top 25 suppliers and where their processes appear lacking, we have actively encouraged them to review their own internal processes and systems to improve compliance. We are currently looking into the next 25 suppliers and shall continue this process until we have covered all 100.

The Company is also currently working towards incorporating its supplier due diligence within its new Enterprise Resource Planning ('ERP') system, which will come online in 2021. Our expectation is that this will significantly improve the transparency of our supply chains, and our ability to influence our suppliers to improve their own internal process and systems to reduce the risk of slavery and human trafficking taking place.

The Group remain dedicated to improving our practices to combat slavery and human trafficking, as such, until the ERP system comes online the Group will continue implementing our published interim activities to manage supplier compliance and adherence to our ethics and values on a global basis.

INTERIM PROCESS - PLANNED ACTIVITIES

The Board have undertaken a number of the activities detailed below however, these steps require regular management, hence the Group will continue to review and work towards implementing and maintaining the following:

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



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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. Review of the top 100 suppliers to address any areas where the company faces a higher risk of slavery and human trafficking taking place in our supply chain; and
5. Enhance the current compliance team to include individuals from all subsidiaries.

We continue to 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 developed and commissioned.

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's 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.

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 18 November 2019.

A handwritten signature in black ink, appearing to be 'Dr. James Routh', written in a cursive style.

Dr. James Routh

AB Dynamics plc

Date: 18 November 2020