

# Modern Slavery Statement

## Introduction from the Board

AB Dynamics plc and its subsidiaries ('ABD' or '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, the Group has 145 global automotive clients, including global vehicle manufacturers, tier one suppliers, all 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 Overseas Holdings Inc, AB Dynamics Singapore Holdings Pte. Ltd, Anthony Best Dynamics Limited, AB Dynamics Europe GmbH, AB Dynamics GK, AB Dynamics Inc, and ABD Solutions Ltd
- Ansible Motion Ltd
- Bolab Systems GmbH
- Dynamic Research Inc. ('DRI') and DRI Advanced Test Systems Inc,
- rFpro Limited
- VadoTech Pte Ltd, VadoTech Japan KK, VadoTech Deutschland GmbH, Vadotech Servicios Técnicos, S.L. VadoTech Korea Ltd and VadoTech US Inc
- Venshure Test Services inc.
- Zynit Pte Ltd, Zynit China Co Ltd and Zynit HeFei 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 locations in the UK, USA, Germany, Singapore, China, and Japan.

## Risk of modern slavery

The Company has assessed its exposure to modern slavery and there are two main areas of risk which need consideration and management: internal risks within the Group (employees) and risks arising from the Group's supply chain.

The Group has approximately 550 employees worldwide, with operational subsidiaries based in the UK, USA, Germany, Japan, Singapore and China. Whilst most of the Company's employees are based in major advanced economies all of which have strong legislation governing human rights, in 2023 the Global Slavery Index (GSI) estimated that 5.8 million people in China and 1.1 million people in USA and were living in modern slavery. Therefore, this remains an area of potential risk for the Group.

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Five entities within the Group manufacture products and have any material supply chains. Whilst these entities are in the UK, Germany and USA, their supply chains are global. The remaining entities within the Group are focused on automotive testing services and software, they do not provide or sell products and materials and therefore have immaterial numbers of sub-contractors or suppliers, only purchasing office and vehicle consumables in very low quantities. Therefore, this year the Group's supply chain risk management activities have been focused on our manufacturing subsidiaries.

## Acts to address future risk

ABD focuses on effective communication, training, and resourcing of its employees to shape the environment and set the tone in assessing and mitigating risk and working to prevent modern slavery in its supply chains and within the Group.

## Our employee risk

To minimise the risk to employees arising in China, the USA and elsewhere the Group, ABD has implemented 4-part methodology which specifies that all employees: -

1. Must have written employment contracts.
2. Must have access to the Group's Modern Slavery Policy.
3. Are allocated training on modern slavery (every two years).
4. Have access to our anonymous whistleblowing portal.

All Group employees must be employed on formal employment contracts or letters of employment, these can be accompanied by staff handbooks and/or standalone policies (including the Group's Modern Slavery Policy) detailing each employees' rights and the Group's obligations to its staff.

ABD's Modern Slavery Policy, which was introduced in November 2019, is to be reviewed annually, and shall be circulated worldwide to all employees within the Group, to increase awareness of this issue and influence positive behaviour within our organisation.

In addition to this, training is allocated to all employees within the Group on the specific risks of modern slavery with an emphasis on how to identify warning signs which may indicate someone is a victim of slavery or human trafficking.

The Group's Whistleblowing Policy is published online (at [www.abdplc.com](http://www.abdplc.com)). ABD has a Group-wide online whistleblowing portal "SpeakUp", where employees are encouraged to raise any concerns (and can do so anonymously) to an independent non-executive director of the Group.

In order to improve understanding and reach more vulnerable individuals across the Group, both the Modern Slavery and Whistleblowing Policies are available in 4 languages (the main languages used within the Group), the Modern Slavery training is provided through the Group's iHasco training portal and is available in numerous languages including those in use within the Group (through the provision of subtitles), and the Whistleblowing Portal allows for reporting and two-way communications in all four of the Group's main languages using in built machine translation.

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All employees who join the Group including those who join from acquisitions are both allocated this training and provided with information regarding where to access ABD's policies and portals. New starters upon their arrival and those who join the Group following acquisition are allocated the training and provided with the Group's Policies during the Company's 90-day integration plan for their business. All employees are expected to undertake this training every two years.

Through these tools the Board aims to encourage openness and will support staff who raise genuine concerns in good faith under the Modern Slavery Policy, even if they turn out to be mistaken. Employees are encouraged to report through our Whistleblowing Portal and are investigated in line with the Group's Whistleblowing Policy.

During the last year we have also undertaken several audits relating to our Employee Risk: -

- Checks on employment contracts: To date 75% of employment contracts have been checked, all new starters are provided with letters of employment or contracts in accordance with local laws.
- Checks on Bank Accounts: Each subsidiary within the Group has undertaken an audit to check that no two employees have their salaries paid into the same bank/deposit accounts. This issue is a well-established sign of Modern slavery and was highlighted in a recent case in the UK.

Going forward the Group intends to conclude the checks on employment contracts, and if contracts/letters cannot be located, we will endeavour to formalise these in writing. We will also repeat the checks on bank/deposit accounts again in Autumn 2025, and are currently investigating with our external payroll providers, whether these checks can be performed monthly alongside the payroll.

## Our supply chain risk

As noted above five entities within the Group manufacture products and have any material supply chains.. Therefore, the Group's supplier risk management activities have been focused on these subsidiaries.

To minimise the risk occurring within these subsidiaries' supply chains the Group has implemented the following: -

1. Online publication of the Modern Slavery Policy.
2. Introduction of standardised Supplier Assessments.
3. Continuing use and further roll out of Dow Jones Risk Management Tool.
4. Update of the Standard Terms & Conditions for procurement within the Group and the continuing review and negotiation of other commercial contracts to reflect our business ethics.
5. Access to the Group's whistleblowing portal for third parties including suppliers and contractors.

As previously mentioned, the Group's Modern Slavery Policy is published on the Group's website and is accessible to all the Group's customers and suppliers. This policy available in 4 languages, and all manufacturing subsidiaries within the Group are encouraged to circulate this policy to all their suppliers.

The Group has introduced a supplier assessment process as part of its supplier due diligence. This new procedure has been trialled at the Group's largest subsidiary Anthony Best Dynamics Limited (ABD Ltd) as its largest manufacturing subsidiary, and ABD Solutions Ltd. The Procedure is a 3-step process involving:

- Issuing each supplier with a Self-Assessment Questionnaire (SAQ).

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- Review and evaluation of responses including the investigation of low scoring suppliers and engagement with non-responders.
- Updating of the Approved Supplier List – to remove those parties who have not responded, not engaged sufficiently and/or those who have not met our threshold score.

The SAQ's have been issued to all suppliers of purchased parts, and will continue to be issued to all new suppliers going forward. The businesses have had good engagement with the majority of their suppliers, with a 79% response rate, which covers approximately 89% of those businesses purchasing costs.

Each SAQ is reviewed, evaluated against the set criteria and scored. The procurement team has engaged with the low scoring businesses to address issues/clarify answers and invariably assist those businesses to improve their scores. However, where business do not engage, or do not meet the minimum scores required they have been removed from the approved supplier list.

This new process has standardised the due diligence undertaken, specifically in relation to: quality, insurances, business continuity, ethical conduct (including their management of modern slavery risk within their businesses and supply chains), environmental management, and health and safety. This SAQ procedure is also being supplemented with site visits and audits as required. As such, we have also engaged "Unseen" a charity which provides a range of specialist advice on modern slavery to provide enhanced training to our procurement teams and other employees who attend the premises of our customers and suppliers, to enable individuals to spot signs of forced labour and other forms of modern slavery.

The Group continues to use its 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 on customers, agents and suppliers which supports its modern slavery checks and procedures. The Group is extending access to this tool to all its manufacturing subsidiaries, in the last year this has been rolled out to the procurement teams of ABD Ltd and ABD Solutions Ltd.

Going forward, the Group intends to roll out: the SAQ procedure and supplier engagement, the "Unseen" enhanced training and the Dow Jones tool to the remainder of its manufacturing subsidiaries.

The Group will also continue to require suppliers to actively manage their own Modern Slavery risk within their businesses and supply chains, as a contractual requirement within our standard terms and conditions for procurement. Where bespoke terms are agreed with suppliers, additional wording shall continue to be included to ensure each suppliers adherence to ABD's policies.

Third Parties also have access to the Group's whistleblowing portal and associated policy, and links to the portal are published on the Group's website. The portal allows for anonymous reporting and all parties are encourage to 'Speak-up' without fear of reprisal.

The risk in the Companies other (non-manufacturing) subsidiaries was deemed to be low at the last assessment so no further action has been undertaken at this time.

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## In conclusion

ABD operates a zero-tolerance approach to slavery and human trafficking. The Group remains committed to running its business responsibly and, in order to maintain visibility and an open dialogue with all of its stakeholders, our Modern Slavery and Whistleblowing Policies are published on our website allowing all employees, customers and suppliers the opportunity to raise concerns directly with AB Dynamics plc. ABD is committed to only working with parties who take their obligations towards modern slavery as seriously as we do.

On review, the Company is confident that the measures detailed herein are sufficient to prevent modern slavery occurring within the Group, to effectively manage the fair treatment of our own workforce and to address, among other things, issues of child labour, compulsory labour, and human trafficking within its supply chains.

ABD is not aware of any slavery or human trafficking of any kind in any part of our business or supply chain, and no whistleblowing reports have been received by the Group regarding modern slavery or human trafficking during the last financial year ending 31 August 2024, or to date.

## Approval

This Statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and was approved by the Board of Directors of AB Dynamics plc on 16 April 2025.



Signed by Dr James Routh

Chief Executive Officer