

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, our customers include the top 25 global vehicle manufacturers, tier one suppliers, Euro NCAP laboratories, numerous global test facilities and autonomous vehicle developers.

Organisation 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 Holds 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
- 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
- Vensure Test Services
- 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 offices 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 500 employees worldwide, with subsidiaries based in the UK, USA, Germany, Japan, 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.

Only four entities within the Group manufacture products and have any material supply chains. Whilst these entities are in the UK 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, the supply risk management activities are 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 are all on formal employment contracts or letters of employment, these are 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 reviewed regularly, and 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). ABD has a Group-wide online whistleblowing portal, 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.

All employees who join the Group including those following acquisitions are both allocated this training and provided with information regarding where to access ABD's policies and portals: new starters upon their arrival, 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.

Our Supply Chain Risk

As noted above only four entities within the Group manufacture products and have any material supply chains, however these supply chains are global. Therefore, the supply risk management activities are focused on our manufacturing 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.

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 works with suppliers to address them. ABD's Strategic Procurement Director is in the processing of formalising these into Supplier Assessments. It is intended that each of this subsidiary's 379 material suppliers will be required to complete an audit questionnaire which will standardise 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), environment management, and health and safety. This questionnaire will be supplemented with site visits and audits as required.

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 during the next year.

Wording requiring suppliers to actively management the Modern Slavery risk within their own businesses and supply chains is included in our standard terms and conditions for procurement throughout the Group. Where bespoke terms are agreed with suppliers, additional wording to ensure each suppliers adherence to ABD's policies is included in their commercial agreements.

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.

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 is 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 2023, 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 17 April 2024.

Signed by Dr James Routh

Chief Executive Officer