

## Modern Slavery & Human Trafficking Statement

### **Introduction**

We are committed to improving our practices to combat slavery and human trafficking. This statement sets out our current practices as well as our aims for the future showing our commitment to supporting our stakeholders, customers, employees and our supply chain to eradicate slavery and human trafficking globally.

### **Organisation structure**

We are a worldwide supply chain organisation headquartered out of Derby, UK. We offer a global service that's flexible to suit the needs of each customer with unparalleled delivery levels within the aerospace sector, both civil and defence.

Our business operates across the world in multiple locations supporting a global customer base. We have circa 1000 employees that support on a 24/7 basis all year round. Our main facilities are based in US, UK, France,

### **Our business**

The supply chain we operate in mainly deals in 'Class' components. These are defined as high volume and low cost in nature. Our business model allows us to manage the supply chain for our customers because we have extensive relationships with numerous manufacturers globally, giving us access to a wide range of products. Our high quality standards and approval system allows for faster, more efficient and cost effective aerospace product distribution.

### **Our supply chain**

Our supply chain includes direct and indirect suppliers. Our global spend on suppliers is over £200 million per annum. Our supply chain is complex but mainly centred in Europe and USA. Our approach to risk assessing our supply chain will be based upon a number of measures fundamentally considering:

- Size of company
- Location
- Labour practices
- Code of ethics and compliance

To enable this assessment Partner will be:

- Providing internal training to all employees
- Issuing a Compliance Questionnaire as part of its due diligence programme to assess the current state and future requirements of the supply chain
- Holding awareness workshops at future supplier conferences.

### **Our policy 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.

In light of the obligation to report on measures to ensure that all parts of our business and supply chain are slavery free we have reviewed our workplace policies and procedures to assess their effectiveness in identifying and tackling modern slavery issues.

Our workplace policies and procedures demonstrate our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls, so that to the best of our ability, slavery and human trafficking is not taking place anywhere in our supply chains. Supporting this is our published Corporate responsibility report for financial year 2016

### **Due diligence process**

As part of our initiative to identify and mitigate risk we are putting in place systems to:

- Identify and assess potential risk areas in our supply chains

- Mitigate the risk of slavery and human trafficking occurring in our supply chains
- Monitor potential risk areas in our supply chains
- Protect whistle blowers

### **Supplier adherence to our values**

A revised Code of Ethics is in development which will be applicable for all employees and suppliers alike. The aim is to publish this by October 2016.

Currently our Vendor Appraisal and Ranking (VAR) covers ethical conduct but not to the extent we believe it should to exceed compliance standards. As part of the risk assessment and supply chain mapping exercise that we will conduct on our vendors we will understand the level of compliance they adhere to currently and support with plans to improve. The vendor risk assessment will be completed by March 2017.

### **Training**

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we intend to provide training to our staff. We will require our business partners to provide training to their staff and suppliers and providers. During financial year 2016 we commenced using on-line training solutions for a number of initiatives. Awareness training for employees on slavery and human trafficking as an on line package will be rolled out during financial year 2017.

As stated in our Code of Ethics, Pattonair strictly prohibits the use of slave labour and engagement in human trafficking. We require all suppliers to acknowledge and comply with our stance. Pattonair requires that our entire supply chain conduct business in a manner that respects human rights.

We are now implementing our own supplier due-diligence programme that includes specific survey questions related to slave labour and human trafficking. We will look to have engaged with our entire supply chain by the end of financial year 2017, and we will continue to drive compliance throughout our supply base.

If any supplier is unable to comply with supplier standards, including those regarding slavery and human trafficking, we will take appropriate action. This may include the cancellation of purchase orders as well as alerting local authorities of any suspected or confirmed illegal activity.

All Patto nair employees with direct responsibility for supply chain management will be trained on ethics and compliance.

### **Aims and objectives**

Following a review of the effectiveness of the steps we have taken this year to ensure that there is no slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking:

| <b>Actions</b>  | <b>Deadline</b> |
|---|-----------------|
| Revised code of ethics published  | October 2016    |
| Awareness workshops with suppliers at our annual supplier conference  | November 2016   |
| Supply chain mapping exercise for risk assessments  | March 2017      |
| Whistle blowing policy to be amended to include options for people external to Patto nair to raise concerns | October 2016    |

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (UK) and the Trafficking Victims Protection Act of 2000 (USA), and constitutes Pattonair's slavery and human trafficking statement for the financial year ending 2016.