

Modern Slavery & Human Trafficking Statement 2017

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 is 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 the UK, US, France and Singapore.

This statement is made by Pattonair (Holdings) Limited on behalf of the entire Pattonair group.

Our business

The supply chain we operate in mainly deals in 'C 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 is based up on a number of measures namely:

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

To enable this assessment Pattonair is/will be:

- Carrying out appropriate due diligence when engaging with a supplier – such as checking whether they have appropriate policies in place to deal with modern slavery;
- Providing suppliers with copies of our Code of Conduct;
- Providing internal e-learning to relevant employees, particularly those who deal with suppliers; and
- Issuing a Supplier Memorandum to bring the issue of modern slavery to the attention of the supply chain and to enforce the fact that Pattonair has zero tolerance for modern slavery or human trafficking in its business or supply chain.

Our policy on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain 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 the 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 chain.

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 chain;
- Mitigate the risk of slavery and human trafficking occurring in our supply chain; and
- Monitor potential risk areas in our supply chain.

Supplier adherence to our values

The company has issued its Code of Conduct to all employees and the supply chain. This makes it clear that the group will not condone the use of forced labour.

As part of our Vendor Appraisal and Ranking (VAR), checks are made to ensure that suppliers have policies and procedures in place to demonstrate their awareness of and compliance with modern slavery legislation.

If any supplier is unable to comply with our 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.

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 senior management and staff involved in the supply chain to ensure that they are

best placed to identify any modern slavery issues and understand the steps that need to be taken in the event that they have concerns.

We have rolled out an updated Whistleblowing Policy, which staff are free to use if they have any concerns about the manner in which Pattonair or any of its customers or suppliers do business and which they do not feel comfortable to raise using traditional channels.

Update since the 2016 Modern Slavery Statement

A new Whistleblowing policy was made available to all staff and we are pleased to report that we have received no reports of any matters linked to modern slavery.

Our Code of Conduct has been provided to our supply chain and it has been made clear that compliance with this is required in order to continue to work with Pattonair.

We continue to work with our supply chain through the VAR process to manage the risk of modern slavery and intend to develop diligence in this area over the coming twelve months.

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 2017.

Wayne Hollinshead

CEO