



BBA Aviation 2018 Statement on Modern Slavery

BBA Aviation plc is a values-based organisation, dedicated to being the world’s leading provider of aviation support and aftermarket services, with the overarching objective to deliver exceptional, long-term, sustainable value for all our stakeholders. Our Vision, Mission and Values align the BBA Aviation businesses together as one team. Our Values describe our aspirations both as individuals and as a company and we endeavour to always behave in ways that are consistent with them.

BBA Aviation Values



Integrity
We earn the trust and respect of our stakeholders with honesty, fairness, openness and by honouring our commitments.



Responsibility
We are committed to managing our impact on, and contributing positively to society and the environment.



Service
We strive continually to anticipate customer needs, exceeding their expectations.



Performance
We focus on delivery of long-term and sustainable value, continuous improvement and reliability.



Safety
We are dedicated to safety and security, the elimination of hazards and protecting people, property and our environment.



People
We are committed to investing in and empowering our people through training and education and to providing them with opportunities for rewarding careers.

Our businesses and supply chains

We support our customers through three principal businesses: Signature Flight Support, Ontic and Engine Repair and Overhaul (ERO):

Signature Flight Support also includes Signature TECHNICAir™ and EPIC, and provides premium, full service flight and home base support including refuelling, ground handling and MRO services through the world's largest fixed base operation (FBO) network for B&GA users with 199 locations covering key destinations in North America, Europe, South America, Caribbean, Africa and Asia. EPIC is a provider of aviation fuels, supplies and services.

Ontic is a leading provider of high-quality equipment and cost-effective solutions for the support of maturing and legacy aerospace platforms with locations in the USA, Europe and Asia. **ERO** is an independent engine service provider to global B&GA operators, the rotorcraft market and regional airline fleets with locations in the USA, Europe, South America, Asia and the Middle East.

Collectively, BBA Aviation operates at more than 420 locations on five continents and has more than 6,500 employees.

Each of our businesses employs dedicated teams responsible for sourcing and managing supplier relationships for their respective business. BBA Aviation also operates a Procurement Council comprised of representatives from each of the businesses. The Procurement Council is responsible for optimising the Group's purchasing activities to reduce costs and leverage efficiencies. The Procurement Council also ensures enterprise-wide supply chain compliance with applicable laws and regulations, as well as BBA Aviation's policies and procedures, including those related to compliance and the ethical conduct of business.

Our policies

BBA Aviation's suite of ethical conduct policies embody our commitment to ensuring that our businesses and our supply chains are free from modern slavery and human trafficking. We recognise the overarching importance of human rights and support the principles set forth in the UN Universal Declaration of Human Rights. We are committed to treating people according to merit and contribution, refraining from coercion and never deliberately causing harm to anyone.

BBA Aviation's Code of Business Ethics (Code) is the cornerstone of our compliance mind-set and corporate programmes. Flowing from the Code, our other policies, procedures and internal controls are designed to address specific issues, conduct or risks in a more comprehensive manner. The Code requires all BBA Aviation employees, officers, and directors to conduct themselves according to the language and spirit of the Code and to avoid even the appearance of improper behaviour.

Our Third Party Vetting Policy sets out guidelines and procedures for assessing BBA Aviation's business partners through due diligence processes. Depending on the relative risk associated with a third party (determined using criteria such as country, proposed relationship, etc.), we undertake standard or enhanced due diligence on all third parties, including suppliers, contractors and service providers. Our compliance programme, including our Third Party Vetting Policy and procedures, are subject to continuous improvement, including evaluation against best practices and external benchmarking. We believe our programme and due diligence processes are working as designed and are effective.

BBA Aviation is committed to fostering a transparent, open working environment where concerns can be readily raised and grievances can be properly addressed in a timely manner. Our Disclosure of Unethical Conduct Policy describes our open reporting culture and processes. Our employees are required to report any actual or suspected unlawful or unethical business practices. The Policy enables anyone working in or for a BBA Aviation company who suspects that any unlawful or unethical business practice is being carried out (or is likely to be carried out), by any BBA Aviation officer, director or employee or by any supplier, agent, distributor or other person providing services to or acting on behalf of BBA Aviation, to raise the matter immediately. Retaliation for reporting concerns is strictly prohibited as a matter of company policy.

In addition, our Code of Ethics for Suppliers, Contractors and Consultants clearly sets out our expectations for our business partners concerning compliance with all applicable laws; conduct of business in a fair and ethical manner; respect for human rights; conservation of the environment; and provision of high quality, safe products and services.

Our efforts to identify modern slavery risk in our businesses and supply chains

Verification

As described above, BBA Aviation conducts due diligence on each of our suppliers, contractors and service providers pursuant to our Third Party Vetting Policy and other standard vendor management review procedures. These collectively result in a detailed understanding of our business partners, their practices and the products or services they provide to the BBA Aviation business.

As reported in our 2017 statement, BBA Aviation's Procurement Council undertook a "deep dive" analysis of our business partners to better understand our extended supply chains beginning in 2017.

Rather than taking a generalised approach, the Procurement Council looked at 25 activities or industries in which modern slavery or human trafficking are commonly known to exist and mapped them against our supply chain activity. The high-risk activities or industries reviewed were as follows: restaurants and food service, construction, landscaping, commercial cleaning services, and factories and manufacturing. These activities/industries were identified due to several key risk indicators, such as the presence of migrant workers, refugees, young workers (and risk of child labour), contract and agency workers, and female workers.

Starting in 2017 and finishing in 2018, the Procurement Council analysed BBA Aviation's entire 2017 spend. Of that total, it was determined that 30.9% of BBA Aviation's suppliers fell into high-risk categories and 69.1% of suppliers were in low risk categories. When evaluating the high-risk categories, the factories and manufacturing category was the largest by far, representing 90.4% of dollars spent in all high-risk categories and 80.2% of all suppliers, by number, engaged by all BBA Aviation businesses. After further analysing spend in the factories and manufacturing category, the Procurement Council determined that it was spent on aviation parts and products which are manufactured in highly capitalised factories, employing highly-trained and skilled technicians. These facilities are monitored (and periodically audited) by regulatory agencies charged with aviation safety (FAA, EASA etc.) and representatives from customer quality organisations (whether an airframer, engine manufacturer or aircraft system manufacturer) and, as a result, present a reduced risk of the presence of modern slavery practices (as compared to some other types of manufacturing operations).

In addition, the Procurement Council also analysed the supply chain consumption based on country of spend. Recognising that modern slavery and human trafficking plague all countries, developed and developing, we reviewed each of the countries in which we do business and rated each for its perceived risk of modern slavery and human trafficking, designating each as High, Moderate or Low risk. Based on this methodology, the Procurement Council determined that 98.6% of the spend reviewed was made in countries designated as a Low risk, 0.2% was spent in countries designated as a Moderate risk, and 1.2% was spent in countries designated as a High risk.

Audits

From time to time we undertake audits of our suppliers, generally utilising personnel from the quality or supply chain organisations of our businesses. While we may visit suppliers on an unannounced basis or with short notice, audits are commonly scheduled in advance to ensure appropriate supplier personnel are present to answer questions. Over time, we have found this to be the most effective way to undertake audits, particularly if we are auditing suppliers or service providers to ensure compliance with aviation regulatory requirements.

The effectiveness of our efforts

Accountability

To date, we believe that BBA Aviation has been highly effective in monitoring the risk of modern slavery and human trafficking and ensuring it is avoided in our businesses and in our partners' businesses. We believe our existing internal controls are effective in managing risk to our business.

For example, our Code of Ethics for Suppliers, Contractors and Consultants is clear that we expect our business partners "to respect the human rights of your employees and others in your business operations and your activities for BBA Aviation; to never use or support practices that condone child labour; to not use forced, prison or indentured labour, or workers subject to any form of compulsion, coercion, deception or other abuse of power; to never engage in, support or condone trafficking in persons; and to adopt policies and establish systems to procure tantalum, tin, tungsten, and gold from sources that have been verified as conflict free, and to provide supporting data on your supply chain for tantalum, tin, tungsten, and gold to BBA Aviation when requested."

If dealing with a supplier or service provider that is considered a higher risk, we may review the Code of Ethics for Suppliers, Contractors and Consultants orally with the supplier or service provider or require that it formally certifies in writing that it complies with our Code of Ethics. In addition, the Code of Ethics is clear that our expectations encompass not only our partners' businesses but their supply chains as well.

Given that BBA Aviation has generally maintained long-term, stable relationships with key suppliers, contractors and consultants, they are well aware of our expectations for ethical business practices in all areas. We have also experienced full cooperation from our partners as we try to ensure no modern slavery is present in our extended supply chains.

Certification

As noted above, our Code of Ethics for Suppliers, Contractors and Consultants sets forth our expectations of our business partners. It is mandatory and all suppliers and service providers are required to abide by it. Also as noted above, to the extent that a particular supplier is deemed "High risk," either because of its industry or geographic location, we would require periodic certifications by the supplier to confirm its compliance with the Code of Ethics and all applicable laws, including those designed to prevent modern slavery and human trafficking.

Training

BBA Aviation policies, standards and internal controls, together with our Values and our focus on safety, underpin our approach to risk management. We are committed to being a responsible business and we work hard to embed this commitment into our culture, our decision-making and the way we work. To achieve this, BBA Aviation has put in place comprehensive training programmes to ensure that our employees are appropriately informed and empowered to put BBA Aviation's policies into action.

During 2018 we again conducted face-to-face compliance and ethics training for more than 1,200 employees across the BBA Aviation group. This training specifically addressed the requirement to assess the risk of human trafficking and modern slavery within our businesses and supply chains and highlighted the need for employees to be alert to these issues and to raise any concerns they may have.

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This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the BBA Aviation group's modern slavery statement for the financial year ending 31st December 2018 as approved by the Board on 26 February 2019. Signed on the Board's behalf by:



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Mark Johnstone,
Group Chief Executive