



BBA Aviation 2017 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 and Signature TECHNICAir™ provide premium, full service flight, technical and home base support to the owners and operators of aircraft in the business & general aviation (B&GA) market. Signature is the world's largest fixed base operation (FBO) network for B&GA users with around 200 locations around the world, primarily in North America.

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 220 locations on five continents with over 6,500 employees.

Each of our businesses has 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 our businesses. The Procurement Council is responsible for optimising the Group's purchasing to reduce costs. The Procurement Council is also responsible for driving enterprise-wide compliance by our supply chains with applicable laws and regulations, as well as BBA Aviation's policies and procedures, including those related to compliance and ethical conduct of business.

Our policies

BBA Aviation's commitment to ensuring that modern slavery and human trafficking is not taking place in our businesses or supply chains is embodied in our suite of ethical conduct policies. We recognise the importance of human rights and support the principles set forth in the UN Universal Declaration of Human Rights and 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 is the main document governing our Compliance programmes. All other policies, procedures and internal controls are then designed to address specific issues, conduct or risks. 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.

We utilise our Third Party Vetting Policy to set out the guidelines and procedures that must be followed in assessing BBA Aviation's business partners through due diligence. Depending on the relative risk identified as 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.

The Disclosure of Unethical Conduct Policy describes our open reporting procedure. Any actual or suspected unethical business practices must be reported. The procedure enables anyone working in or for a BBA Aviation company who suspects that any unethical business practice is occurring (or is likely to occur), 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 without fear of recrimination.

In addition, in 2017, BBA Aviation developed and published a Code of Ethics for Suppliers, Contractors and Consultants which sets forth our expectations of our business partners concerning

compliance with all applicable laws, conducting business fairly and ethically, respecting human rights, conserving the environment and providing high quality, safe products and services.

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

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 reviews, which result in a detailed understanding of our business partners, their businesses and what products or services they provide to the BBA Aviation businesses. In addition in 2017, BBA Aviation's Procurement Council undertook a "deep dive" analysis of our business partners to better understand our extended supply chains.

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. They then identified risk areas that might affect BBA Aviation's supply chains, including: restaurants and food service, construction, landscaping, commercial cleaning services and factories and manufacturing. These were activities/industries with key risk indicators, such as the presence of migrant workers, refugees, young workers (and risk of child labour), contract and agency workers, and women workers.

By the end of 2017, the Procurement Council had completed analysis on a significant proportion of BBA Aviation's 2017 spend. Of that total, 47% was spent in the factories and manufacturing category, 1.2% was spent in other high risk categories in aggregate, and 51.8% was spent in non-risk categories. When reviewing our spend in the factories and manufacturing category, the Procurement Council determined that all of it was spent on aviation parts and products which are manufactured in highly capitalised industries, employing qualified technicians. These 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, the likelihood of modern slavery practices being present is very low.

In addition, the Procurement Council also analysed spend based on the country where the spend was made. 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 96.6% of the spend reviewed was made in countries designated as a Low risk, 0.4% was spent in countries designated as a Moderate risk, and 3.0% was spent in countries designated as a High risk.

During 2018, the Procurement Council will continue its analysis and review the remaining 2017 spend to determine where modern slavery risk may exist in the extended BBA Aviation supply chain. We expect the analysis of the full year to be largely consistent with the findings described above.

The effectiveness of our efforts

To date, we believe BBA Aviation has been highly effective in preventing modern slavery and human trafficking from existing in our businesses and in avoiding undesirable business partners. In 2018, with the completion of our analysis of our extended supply chain, we intend to review and assess our existing internal controls to determine their effectiveness in managing risk in the more disbursed extended supply chain.

As an initial step, our Code of Ethics for Suppliers, Contractors and Consultants is very 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.”

The Code of Ethics is very clear that our expectations encompass not only our partners’ businesses but their supply chains as well. Given that BBA Aviation has maintained, in general, long term relationships with key suppliers, contractors and consultants and our expectations for ethical business practices have been a constant throughout those relationships, and now codified in the Code of Ethics, we expect full cooperation from our supply chains if the results of our assessments determine that enhancements to our internal controls are desirable.

Training

Group 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 our leaders are responsible for embedding this into BBA Aviation’s culture, our decision-making and how we work. To achieve this, BBA Aviation has comprehensive training programmes to ensure that our employees are appropriately informed and put into action BBA Aviation’s policies.

During the course of 2016 we conducted face-to-face ethics training for over 1,500 employees across the BBA Aviation group, which 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.

In 2017, we utilised eLearning modules to conduct ethics training for 936 employees. In 2018, we will again conduct face-to-face ethics training for employees across the BBA Aviation group and we plan to provide targeted modern slavery training to various employees in our supply chains

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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 2017 as approved by the Board on 23 February 2018. Signed on the Board’s behalf by:

Wayne Edmunds, Interim Group Chief Executive