

Statement on Modern Slavery

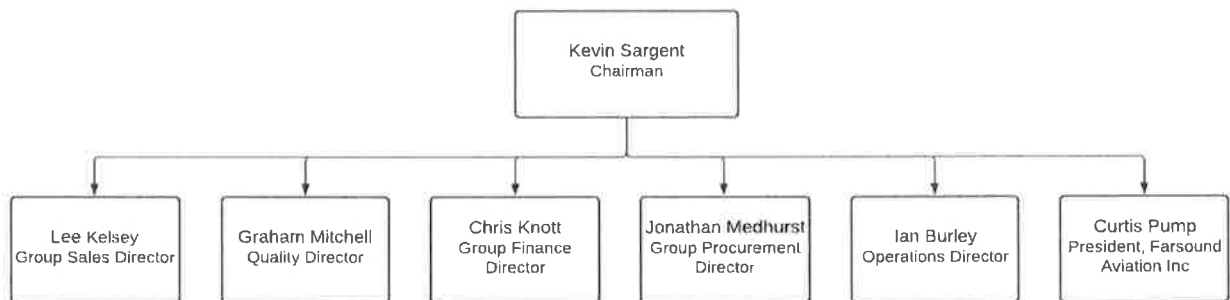
Introduction

This Slavery and Human Trafficking Statement, pursuant to Section 54 of the Modern Slavery Act 2015, summarises the steps which Farsound Aviation Limited has taken to address the risk of slavery and human trafficking (known as “modern slavery”) in its supply chains during the year ended 31 December 2020.

Our Business

Farsound Aviation Limited is an aerospace Supply Chain Service Provider, supporting multiple civil and military engine platforms. Farsound has a global customer profile with customers maintaining engines used on a variety of aircraft. Company operations are based in Romford, England and Toronto, Canada and are focused on providing high performance delivery solutions to meet our customers unique requirements. Farsound holds inventory of a vast array of different products which are factory new and fully traceable. Farsound employs people across facilities located in Europe, North America and Asia. The organisation is structured as below.

Farsound Senior Leadership Team, January 2022



Our Supply Chain

Farsound supplies a variety of different types of aerospace parts and manages supply chain partners through long term relationships. Farsound expects its suppliers, their employees and their supply chain providers to act in a way that upholds committed ethical standards.

Modern Slavery

Modern slavery is a crime and a fundamental violation of basic human rights. It can take a variety of forms, such as slavery, servitude, forced or compulsory labour, child labour and human trafficking. All of these activities deprive an individual of their liberty, exploited by others for their personal or commercial gain.

Our Approach

Farsound has zero tolerance of Modern slavery and human trafficking in any form. This approach reflects a commitment to act ethically, responsibly and in a timely way in all business relationships. Farsound will;

- implement systems and maintain controls that reduce the risk of slavery and human trafficking being present in any part of its business or supply chain.

With respect to the present perceived risk of modern slavery, Farsound has considered the following elements;

- the geographical area of Farsound business activity and the low prevalence of forced labour in these localities
- the business policies introduced by the Company
- the on-going employee training prescribed by the Company
- the recruitment policies
- the lack of reports or indication of slavery and human trafficking in the supply chain

Considering these aspects, Farsound regards the risk of modern slavery and human trafficking occurring within the remit of the business as low.

Our Policies

Farsound expects its employees, irrespective of their position and role in the business to behave in accordance with the highest standards of ethical conduct. Farsound's code of ethics and conduct states that employees must obey the law, take care for customers and employees alike and respect the integrity of our suppliers.

Action since January 2021

Farsound re-evaluated its core company values, identifying 'People' as one of its 4 central tenants. The policy states:

"People are at the heart of our business. We value open, honest and authentic interactions in all we do. We believe in people that respectfully challenge, embrace change and demonstrate integrity and accountability."

As an on-going commitment to mitigating the threat of modern slavery and human trafficking, Farsound reissued the Employee handbook in September 2021. Within that document it specifically identifies policies on:

- Equal opportunities
- Managing the risk of slavery in the workplace (see also handbook factsheet 24)
- Code of ethics and conduct (see also handbook factsheet 35)
- Raising a concern at work (whistleblowing)

Farsound also implemented a company-wide e-training scheme covering mandatory modules including:

- Anti-Bribery
- Modern Slavery
- Equality and Diversity
- Bullying and Harassment

These e-training modules promote awareness with employees on all aspects of behaving in an ethical and transparent fashion. These courses are held on record and individuals will be expected to complete refresher courses on an annual basis.

Our Suppliers

Farsound manages the risk of Slavery and Human Trafficking in the supply chain through a variety of ways:

- Standard Purchase Terms and Conditions
 - Our suppliers are required to agree to our standard purchase conditions and comply with Farsound policies on Anti-Slavery and Ethics. Failing that, suppliers are

expected to work within terms and policies that are aligned to the principles outlined by Farsound. These requirements are to be cascaded through their supply chains.

- Site Visits of Key Suppliers
 - Farsound believes business is best conducted face to face. Although recent COVID restrictions have made this harder, there is an intention to address this through 2022. Although these visits do not directly address audits of employee welfare practices, visits provide a valuable insight into how business are run and may provide an indicator whether the supplier respects human rights and does not use, for example, child labour. It would be considered normal for Farsound employees to walk around supplier's facilities meeting people across all functions of the business.
- Supplier Engagement
 - Going hand-in-hand with supplier visits is supplier engagement. Account reviews are held with key suppliers throughout the year, providing an opportunity to exchange ideas, take the temperature of the market, share performance metrics and expectations of each other.
- Risk Assessment of Key Suppliers
 - In accordance with BSI, a risk assessment of key suppliers is conducted every year. This process has evolved over the past 5 years and is one method to help identify potentially high-risk suppliers based on spend, criticality and geographical location (amongst other criteria). Senior members of the Procurement function discuss the output of the risk analysis and agree the relevant actions to offset perceived risk.

Action since January 2021

Farsound re-evaluated its general terms of Purchase and Supply including referencing Anti-Slavery Policy and Ethics Policy in 'Schedule 2, Customer's Mandatory Policies' section.

The Farsound Supply Chain Risk Register has been updated with the representative 2018 Global Slavery Index (GSI) grade (By government response) to identify a further dimension of risk in our supply chain assessment of key suppliers. (This is the latest version of that documented, published by the Walk Free Foundation). No supplier achieved a grade lower than 'CCC' with one other supplier registering a 'B' grade.

A deeper supplier screening process will be considered as part of the onboarding new suppliers in 2022. This may involve asking new suppliers to demonstrate their compliance to best practice relating to the threat of modern slavery and human trafficking in their supply chain.

Governance

Compliance with the policies set out within this document is the responsibility of the Farsound Board of Directors. The Board of Directors have reviewed and approved this statement on Modern Slavery.



Kevin Sargent
Chairman