

MODERN SLAVERY TRANSPARENCY STATEMENT - 2018

In accordance with Section 54 of the Modern Slavery Act 2015, the following statement sets out the steps that the Affinity has taken during the year to ensure that there is no modern slavery or human trafficking taking place in our business or supply chains. This statement encompasses the activities of all related Affinity companies, comprising of Affinity Capital Works Limited, Affinity Flying Services Limited, and Affinity Flying Training Services Limited.

Our business and suppliers

Affinity currently has a single contract with Ascent Flight Training to provide the fixed wing aircraft required for RAF pilot training under the UK's Ministry of Defence (MoD) Military Flying Training System (MFTS). Our business is therefore predominantly comprised of the initial procurement of aircraft and support equipment, followed by the ongoing procurement of spares, maintenance and overhaul services to meet the requirements of continuing airworthiness. Our services are delivered using three different aircraft types, and consequently, our primary suppliers for both the initial aircraft and ongoing spares and technical support are the three associated OEMs who are based in Germany, Brazil and USA respectively. Other key suppliers are engaged for the overhaul of engines, landing gear and specialist equipment.

Our values & policies

Affinity is committed to conducting its business ethically, with integrity, transparency, and in accordance with all applicable laws. The Company recognises that modern slavery is a crime and a violation of fundamental human rights which takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking. As such, Affinity has a zero-tolerance approach to all forms of modern slavery and is committed to implementing and enforcing effective systems and controls to safeguard against any form of modern slavery taking place within its business or its supply chain.

Following an initial assessment, Affinity views the risks of modern-slavery and human trafficking in its business and supply chain to be low. Nevertheless, Affinity is in the process of enhancing its policies and procedures, which will complement the existing Code of Business Conduct and Ethics, Anti-Bribery & Corruption and Whistleblowing policies, to ensure that any occurrences of modern slavery or human trafficking are identified and remediated.

Steps taken during the year

- Affinity's Code of Business Conduct & Ethics has been amended to specifically address modern slavery and human trafficking.
- Affinity has written to its first-tier suppliers to promulgate its policies on modern slavery and human trafficking, requesting evidence of their compliance and subsequent flow down of anti-slavery policies and due diligence.
- Procurement processes have been amended so that the Company's zero tolerance approach to modern slavery is communicated at the outset of every new business relationship.
- A revised Supplier Code of Conduct has been issued which requires Suppliers' compliance with all applicable anti-slavery and human trafficking laws.

- Affinity's pre-qualification questionnaire (PQQ) has been amended to include the requirement for due diligence on a new Supplier's anti-slavery policies.
- Similarly, the Company's standard Consultancy agreement has been updated to include terms requiring compliance with anti-slavery and human trafficking regulations.
- Standard Purchase Order (PO) terms and conditions have been amended to include compliance with all anti-slavery and human trafficking laws including the Modern Slavery Act 2015.
- Finally, Affinity has implemented an independent Whistleblowing service which can be used by employees to confidentially report any evidence or suspicion of a breach of anti-slavery regulations either within the Company or by its suppliers.

Next steps

- Employees' annual Code of Business Conduct training will be amended to include training on modern slavery awareness and Affinity's related policies and procedures, with the objective of embedding respect for human rights and zero tolerance of modern slavery throughout the organisation.
- Affinity will continue to engage with its next tier of suppliers to confirm implementation of modern slavery policies and due diligence.
- Affinity's recruitment and temporary staff hire policies will be reviewed to confirm that they include checks for anti-slavery compliance.
- The Company will investigate if its Whistleblowing service can be widened to allow confidential reporting of any modern slavery concerns by external parties.

Affinity recognises the continuously changing nature of modern slavery, and therefore the company will continue to review the level of modern slavery risk in its business and supply chain, and to adapt policies and procedures so they remain proportionate to the identified risk and the size and operations of the Company.

Board approval

This statement is made for the financial year ending 31st December 2018 and was approved by the respective Boards of Directors on the 21st November 2018.

Signed on behalf of the Boards:

A handwritten signature in black ink, appearing to read 'P. Smart', written over a horizontal line.

Mr Peter Smart
Chairman