

UK MODERN
SLAVERY STATEMENT
RESPONSE 2018

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**MBDA IS THE ONLY EUROPEAN GROUP
CAPABLE OF DESIGNING AND PRODUCING
MISSILES AND MISSILE SYSTEMS TO MEET
THE WHOLE RANGE OF CURRENT AND
FUTURE NEEDS OF THE THREE
ARMED FORCES**



**A EUROPEAN INTEGRATED
DEFENCE COMPANY**



**A JOINT VENTURE OF THE THREE EUROPEAN
LEADERS IN AEROSPACE AND DEFENCE:
AIRBUS (37.5%), BAE SYSTEMS (37.5%)
AND LEONARDO (25%)**



This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 (the 'Act') and constitutes MBDA UK Limited's ('MBDA UK') Modern Slavery and Human Trafficking statement for the financial year ending 31st December 2017.

MBDA Group ('MBDA') has a zero tolerance approach to Modern Slavery of any kind within its operations and supply chain. This statement references the principles applicable to MBDA UK with respect to modern slavery and human trafficking and sets out the steps that MBDA UK has taken to ensure that modern slavery and human trafficking is not present in its business or its supply chain.

INTRODUCTION

Modern Slavery is the illegal exploitation of people for personal or commercial gain, often in horrendous conditions which the victim cannot escape. Businesses, including MBDA, have a key part to play in the effort to tackle this crime and protect vulnerable workers from exploitation. Forced, bonded or compulsory labour, human trafficking and other kinds of slavery and servitude represent some of the gravest forms of human rights abuse in any society.

The Modern Slavery Act 2015 is a globally leading piece of legislation. It sets out a range of measures on how modern slavery and human trafficking should be dealt with in the UK and impacts the corporate sector.

OUR BUSINESS

MBDA is a world leader in missiles and missile systems with a significant presence in five European countries and with more than 90 armed forces customers in the world. In total, the Group offers a range of 45 missile systems and countermeasures products already in operational service and more than 15 others currently in development.

OUR CODE OF ETHICS & POLICIES

MBDA has an established Code of Ethics; we endeavour to keep this current ensuring that our corporate culture and changes to legislation are appropriately embedded – this helps us continue to conduct our business activities to the highest standard.

In accordance with MBDA's Group Allegation Process, all MBDA employees are expected to report any concerns they have including those relating to Modern Slavery. All concerns are to be treated seriously, fairly and the employee's identity will remain confidential.

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“ We rely on our international supply chain, which spans across multiple tiers, in order to manufacture our products and meet our customer requirements. ”

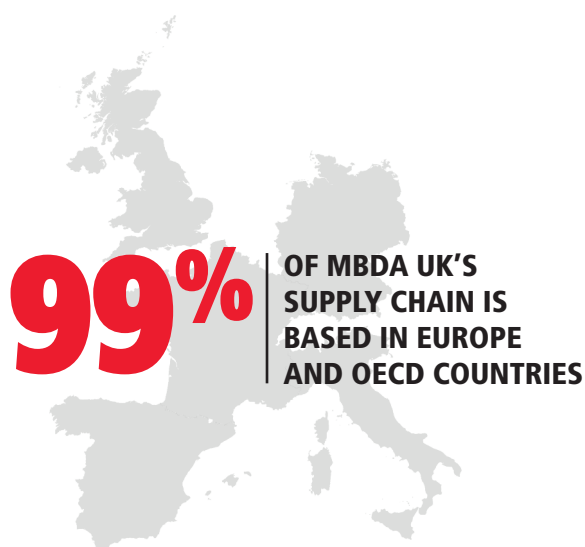
We remain committed to increasing our employee's awareness of Modern Slavery and we will continue to update policies and processes as appropriate whilst identifying priority segments of our supply chain.

External to our business, our suppliers deliver an important part of the value in our products and play an important role in customer satisfaction. Our multi-faceted, robust and risk-based approach to supply chain business ethics is therefore fundamental in ensuring that our products are built to the highest ethical standards. We have expectations of how suppliers manage their ethical conduct and we introduced a Supply Chain Business Ethics Procedure to support our business ethics policy and updated our Manage Supply Chain process in 2017; this ensures the appropriate ethical assessment and validation of our current and future suppliers.

OUR SUPPLIER RISK ASSESSMENT & DUE DILIGENCE

We have a strong and well-established commitment to responsible business conduct; our internal processes demonstrate our dedication to transparency and ensuring that good supply chain practices are in place.

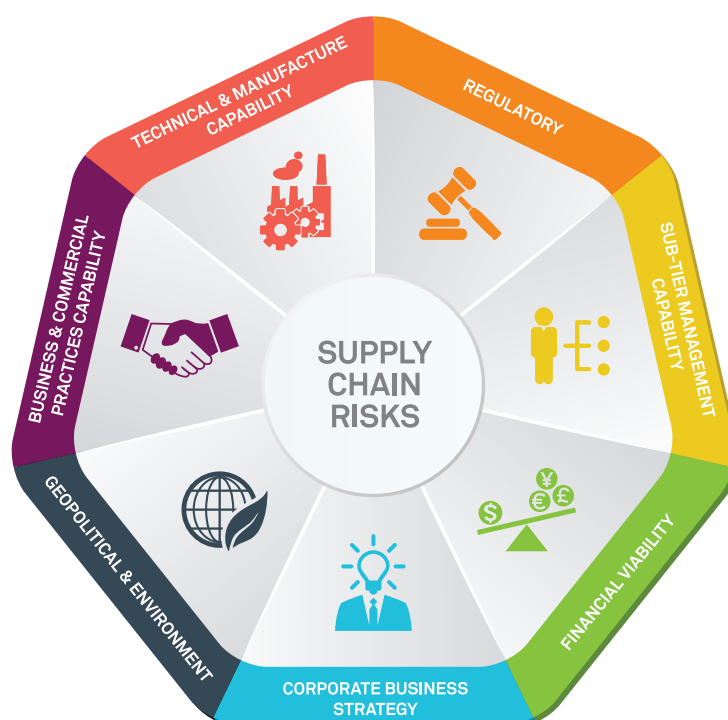
We assess potential suppliers as part of our risk registration process to ensure that we are working with ethical suppliers who share the same principles and values as us. We check supplier's history before we contract with them and that includes any adverse media concerning slavery and human trafficking. We work with our active suppliers to ensure they have appropriate systems and risk mitigation strategies in place to assess their own business and their sub-tier suppliers.



“ Our ability to understand potential risk in our Supply Chain is fundamental to our working practices and as such we ensure our employees receive the appropriate training and support. ”

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We deliver a Supply Chain Risk Management model that is based around seven key risk areas creating a risk profile for each supplier at the earliest possible opportunity. This approach is aimed at improving the early identification, prevention and mitigation of supply chain risk in order to ensure a sustainable and high performing supply chain throughout the full lifecycle of our products. It achieves this by enhancing the levels of screening, risk understanding, mitigation and reporting of transversal risk.



If we consider that a company within our supply chain is deemed to be at higher risk with respect to modern slavery and human trafficking, the supplier will be subject to further in-depth assessments and planned risk mitigation, as appropriate. All of our active suppliers are subject to continued monitoring throughout their lifecycle contract with MBDA.

OUR CONTRACTS

MBDA UK supplier contracts specifically flow down the requirement for all suppliers to be compliant with UK Law, which in turn includes the Act. Failure of our suppliers to act in accordance with the law and address any necessary corrective actions; may result in MBDA UK terminating its contract with the respective supplier.

This statement has been approved by the Board of MBDA UK Limited.

Chris Allam
Managing Director MBDA UK & Executive Group Director Engineering

MBDA helping to tackle slavery and human trafficking in our industry. Find out more at [GOV.UK](https://www.gov.uk)