

# The Transparency Act

## Statement of due diligence assessment and supplier principles for GKN Aerospace Norway AS

GKN Aerospace Norway AS (GAN) is part of the international group GKN Aerospace, which is one of the world's leading providers of advanced technology solutions to the aviation industry. The company is located in Kongsberg. The main area of focus in GKN Aerospace Norway AS is developing and producing advanced components for aircraft engines, for both the civil and military aviation industries. The company also has a significant business in aircraft engine maintenance.

The company has a strong focus on sustainability and corporate social responsibility, and has established clear guidelines and procedures for handling actual and potential negative consequences for fundamental human rights and decent working conditions. This includes, among other things, a clear ethical code of conduct and strict requirements for documentation and traceability in all aspects of the business.

Organizational, GAN is divided into several departments and functions, including production, finance, engineering, quality assurance, procurement, and logistics. The company also has a responsibility to monitor and document its work with due diligence and corporate social responsibility, and ensure transparency in all aspects of the business.

### Market

The company is a manufacturing company that produces aircraft engine parts for the aviation industry and has few but large customers. Our company supplies aircraft engine parts to the largest manufacturers in the world - in fact, 99.8 percent of all civilian aircraft and 100,000 daily flights have high-quality parts manufactured by us. These are products with extreme requirements for quality, precision, and accuracy.

### Suppliers

GAN actively works to prevent violations of fundamental human rights and decent working conditions in accordance with the requirements of The Transparency Act. We have policies, internal guidelines, and procedures that ensure that we always work to counter potential negative impact in our supply chain or business partners.

We have over 400 suppliers and even more subcontractors. We expect all our business partners and everyone in our supply chain to respect fundamental human rights and decent working conditions. We communicate this to our suppliers through our supplier principles and our general purchasing conditions. This means that the supplier commits to conducting their production in accordance with internationally recognized standards related to human rights, working conditions, environment, and anti-corruption.

We regularly conduct evaluations and investigations of suppliers to reduce our operational risk. Suppliers should familiarize themselves with our values, which are available in the [Supplier Code of Conduct](#). These conditions are included in all our purchasing contracts. We have a partnership approach to our suppliers to achieve continuous improvement within our principles. If suppliers do not meet the standards, we encourage improvement instead of terminating contracts. We also

encourage suppliers to identify activities that do not meet the standards and work towards improvement. If suppliers are already working to achieve similar standards, we consider it as an alternative.

We continuously conduct due diligence assessments of our business partners and supply chains to map and assess potential negative impacts on fundamental human rights and decent working conditions. All new suppliers must go through a questionnaire established in accordance with the OECD's guidelines for due diligence assessments. This questionnaire assesses the extent to which the supplier complies with The Transparency Act. In addition, we have conducted a mapping of all our current suppliers which, based on OECD risk factors, has resulted in a prioritized supplier list. Suppliers considered to have the highest risk must undergo the same established questionnaire, as new suppliers are required to answer. To date, the due diligence assessment of suppliers has not revealed any actual negative conditions.

### Whistleblower channels and complaints

Making GKN Aerospace a good place to work means ensuring that our behavior is in line with our values and cultural principles, both internally and towards our external customers, suppliers, and stakeholders. Our ethical guidelines explain how we want to conduct business. They demonstrate the standards of behavior that we expect from all employees in GKN Aerospace, as well as the commitments our organization has based on the topics covered by the guidelines. All these standards are underpinned by the principle of "doing what is right." We all have a personal responsibility to ensure that we follow up on our personal and business commitments in a healthy and ethical manner.

Our ethical guidelines set boundaries that all our employees must adhere to every day, without exception. GKN Aerospace expects ethical behavior and always using good judgment and complying with applicable laws, ethical guidelines, and procedures. In addition to adhering to the principles in our ethical guidelines, you must comply with all applicable local and international laws and regulations.

If there is suspicion of a breach or potential breach of our ethical guidelines, principles, a law, regulation, standard, internal guideline, or procedure, we expect individuals to speak up. There are many ways to raise a concern, and there are established guidelines and procedures for both internal and external reporting. Internally, you can go through either your immediate supervisor, our Legal & Compliance department, or HR. In addition, the employees of GKN Aerospace have access to our whistleblower hotline. Our employee hotline is operated by Navex, an external and independent company, and is available 24/7.

If the above does not lead to resolution or if an employee has reason to believe that internal reporting is not appropriate, they may report to the media or the public at large if they are confident that the content of the report is well-founded and substantiated and/or if the report concerns misconduct of public interest.

We want all employees to be able to ask questions or report concerning behavior, knowing that their concerns will be heard, investigated, and handled properly and with care - without fear of retaliation or disciplinary action.

### Specific due diligence assessments

GKN Aerospace Norway AS has conducted factual investigations of all our suppliers to assess their attitudes towards decent working conditions and mitigate the risk of negative consequences. This has resulted in a prioritized list, based on risk factors, of suppliers who have the highest risk in terms

of identifying activities that do not meet the standards and helping them work towards improvement. This assessment is an ongoing process when handling new agreements with suppliers.

Risk assessments of our suppliers are conducted annually.

### Actual findings

The due diligence assessment of suppliers has not revealed any actual negative conditions or significant risk of negative consequences to date. However, based on the risk assessment, suppliers in industries that are publicly assessed and exposed have been selected, and a clarification has been requested.

### Risk of negative consequences

We have strict requirements and expect high standards from our suppliers. Our supplier principles are established to ensure safe working conditions in GKN Aerospace's supply chain. We expect suppliers to treat workers with respect and dignity, operate their business in an environmentally responsible manner, and adhere to internationally recognized principles and conventions.

Therefore, there is a continuous need for risk assessments, and what is considered a significant risk is assessed on a case-by-case basis. As mentioned under actual findings, this is therefore related to industries that are already exposed when it comes to ensuring decent working conditions and safeguarding fundamental human rights.



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