

# Transparency Act

## Statement on Due Diligence Assessment and Supplier Principles for GKN Aerospace Norway AS

GKN Aerospace Norway AS is part of the international company GKN Aerospace, owned by Melrose Industries. The company is one of the world's leading suppliers of advanced technological solutions to the aviation industry and is located in Kongsberg. GKN Aerospace Norway AS focuses on developing and producing advanced components for aircraft engines for both the civil and military aviation industries, as well as maintaining aircraft engines.

The company has a strong focus on sustainability and social responsibility, with established guidelines and procedures to manage actual and potential negative impacts on fundamental human rights and decent working conditions. This includes a clear ethical framework and strict requirements for documentation and traceability at all levels of the business. Respect for human rights is an integral part of our ethical guidelines and business conduct, and is crucial to our operations.

We are committed to identifying, preventing, stopping, and mitigating any negative impact of our business activities on the people we employ, in our supply chain, with our business partners, and in the local community. Our CEO certifies this in an Internal Compliance Certificate (ICC) twice a year.

Organizationally, GKN Aerospace Norway AS is divided into several departments and functions, including production, finance, engineering, quality assurance, procurement, and logistics. The company is also responsible for monitoring and documenting the work on due diligence assessments and social responsibility, ensuring openness and transparency at all levels of the business.

### Market

The company is a manufacturing enterprise specializing in the production of aircraft engine parts for the aviation industry and has few but large customers. We supply aircraft engine parts to the world's largest manufacturers – in fact, the majority of all civilian aircraft and 100,000 daily flights feature high-quality parts manufactured by GKN. Our products meet extreme standards of quality, precision, and accuracy.

### Trade Regulations and Sanctions

We are committed to complying with trade regulations and sanctions. This involves adherence to all applicable laws for export, import, and trade. Norwegian legislation for the export of defense materials and technology is among the most restrictive in the world and forms the core of our risk management approach. Our role as a supplier of defense products must be viewed in the context of Norway's national defense policy and Norway's international obligations as a member of the UN and NATO.

The Norwegian Parliament has decreed that defense products can only be sold to pre-approved countries. Transparency regarding the export of defense materials is an important principle in Norway. The Norwegian export control regulations are strict and clear, and GKN Aerospace Norway AS complies with all requirements from the Ministry of Foreign Affairs regarding application processes, reporting, and statistics. Additionally, we closely monitor the geopolitical situation.

Norwegian authorities have chosen to invest in new fighter jets and have selected the F-35 fighter jet, emphasizing industrial participation to ensure national value creation, technological development, and national security. GKN Aerospace Norway AS is a long-term supplier to the F-35 program and has been delivering components to our customers for many years. Our supply of military aircraft engine components is in full compliance with Norwegian security needs, as well as Norway's obligations to the UN and NATO.

Our compliance is maintained in consultation with the company's Export Control Manager, who ensures that our business partners adhere to the latest export control and sanctions laws, regulations, and orders in effect at the time of export, re-export, transfer, disclosure, or provision of goods, software, technology, or services. This includes, but is not limited to:

- Export Administration Regulations (EAR) administered by the Bureau of Industry and Security, U.S. Department of Commerce, 15 C.F.R. parts 730-774.
- International Traffic in Arms Regulations (ITAR) administered by the Directorate of Defense Trade Controls, U.S. Department of State, 22 C.F.R. parts 120-130.
- Foreign Assets Control Regulations and related Executive Orders administered by the Office of Foreign Assets Control, U.S. Department of the Treasury, 31 C.F.R. parts 500-598.

In addition to customers in agreements with GKN Aerospace Norway AS committing to follow the sanctions provisions, an end-user statement is also requested from the customer in cases where the Directorate of Export Control and Sanctions (DEKSA) requires it. We always conduct a screening of all third parties to ensure that the end customer is not listed on the U.S. or EU sanctions list.

### Suppliers and Business Partners

GKN Aerospace Norway (GAN) actively works to prevent violations of fundamental human rights and decent working conditions, in line with the requirements of the Transparency Act. We are dedicated to ensuring responsible business conduct throughout our operations and value chain. Our values are integrated into our [Code of Ethics](#) and our [Supplier Code of Conduct](#), which provide the foundation and principles for everything we do. We require our suppliers and business partners to either adopt our principles for supplier conduct or align with our guidelines and values. We expect everyone at GKN Aerospace Norway AS and our business partners to demonstrate integrity. Our ethics and compliance program ensures that the way we conduct business is in accordance with our values and applicable laws and regulations.

We have few customers but over 600 suppliers from many parts of the world and even more subcontractors. Approximately 400 of these suppliers are Norwegian, thus having a positive impact on job creation and securing employment. We take a partnership approach with our suppliers to achieve continuous improvement within our principles. Suppliers are an important part of our value creation, and we aim to collaborate with suppliers who reflect our values, understand, and meet our requirements for responsible business conduct, as outlined in our "Supplier Code of Conduct." These conditions are included in all our procurement contracts. We expect all our business partners and everyone in our value chain to respect fundamental human rights and decent working conditions. We communicate this to our suppliers through our supplier principles and our general procurement conditions. This means that the supplier commits to carrying out their production in accordance with internationally recognized standards related to human rights, working conditions, the environment, and anti-corruption.

We continuously conduct due diligence assessments of our business partners and supply chains to identify and evaluate potential negative impacts on fundamental human rights and decent working

conditions, aiming to reduce our operational risk. Our procurement processes are carried out in accordance with our guidelines, which are also included in supplier contracts and purchase orders. As part of the procurement process and risk assessment, we evaluate all new suppliers on issues related to climate, environment, social conditions, and governance (ESG) through a screening based on these criteria. By the end of the year, none of our suppliers represented a moderate or high risk related to negative effects on the environment or social conditions. Suppliers that may fall into these categories are subject to audits or site visits. Follow-up measures may include the development of improvement plans, further audits, or potentially rejecting the supplier. In 2024, we chose to implement a sample-based approach and conducted audits with 7 of our suppliers, without finding significant negative environmental and/or social impacts during the audits.

In 2024, we also enhanced our due diligence assessments by utilizing a portal solution provided by a third party, where questionnaires regarding human rights, human trafficking, slavery, labor rights, diversity, and organizational culture are annually sent to prioritized suppliers. We continuously evaluate the responses received in accordance with the OECD guidelines for multinational enterprises, to take necessary actions to obtain further information where the responses we receive are not satisfactory.

By the end of 2024, we had 90 of our business partners registered in the portal, of which 30 had responded to the questionnaires. The mapping of due diligence assessments of suppliers has so far not revealed any actual negative conditions. The focus going forward will be to ensure responses from all registered in the portal.

### Whistleblowing Channels and Complaints

Making GKN Aerospace a great place to work involves ensuring that our conduct aligns with our values and cultural principles, both internally and towards our external customers, suppliers, and stakeholders. Our ethical guidelines explain how we wish to conduct business. They outline the standards of behavior we expect from all employees at GKN Aerospace, as well as the commitments our organization has based on these guidelines. All these standards are based on the principle of doing what is right. We all have a personal responsibility to ensure that we fulfill our personal and business obligations in a healthy and ethical manner.

Our ethical guidelines (Code of Ethics) set boundaries that all our employees must adhere to every day, without exception. GKN Aerospace expects everyone to act ethically, always use good judgment, and comply with applicable laws, the ethical guidelines, and the procedures in effect at any given time. In addition to adhering to the principles in our ethical guidelines, one must comply with all applicable local and international laws and regulations. All our employees are required to attest to our guidelines through an established compliance program that ensures the organization adheres to the company's ethical standards, as well as relevant laws and regulations. GKN takes continuous proactive steps to adapt and develop this program across the organization. An important part of promoting a robust culture of ethical behavior is building awareness and expectations from the top through communication and training.

If it is suspected that our ethical guidelines, principles, a law, regulation, standard, or internal guideline or procedure is, or may be, violated, we expect it to be reported. There are many ways to raise a concern, and there are established guidelines and procedures for both internal and external whistleblowing. Internally, one can either go through the immediate supervisor, our Legal & Compliance department, or HR. Additionally, GKN Aerospace's whistleblowing hotline will be available to employees. Our whistleblowing hotline for employees is operated by Navex, an external and independent company, and is open 24 hours a day, seven days a week.

If the above does not lead to a resolution, or if the employee has reason to believe that internal reporting would not be appropriate, they can report to the media or the public if the employee is confident that the content of the report is well-founded and substantiated, and/or if the report concerns matters of public interest.

We want all employees to be able to ask questions or report concerning behavior with the assurance that their concern will be listened to, investigated, and handled properly and carefully – without fear of retaliation or disciplinary action.

In 2024, we received two reports, which were handled and addressed in accordance with the company's procedure. One report was related to an experience of harassment, while the other was related to discrimination. Both reports were the result of a lack of process awareness and/or understanding. As a consequence, we have improved our training and communication in this area, and we have established a dedicated training program for all employees that informs them on how to report concerns and the internal procedures related to investigating concerns and reports. The course also raises awareness of the importance of intervening by reporting potential ethical concerns or misconduct. Additionally, we have a dedicated training program in our training system where all employees attest that they have completed and understood training on the importance of diversity, inclusion, and belonging (DIB) at GKN Aerospace.

### Specific Due Diligence Assessments of External Influences

GKN Aerospace Norway AS's management team has a dedicated meeting structure that ensures regular assessments of geopolitical conditions, including war in Europe and economic inflation. These conditions affect the supply chain and the availability of materials, and measures are initiated based on the needs at the time to maintain our deliveries to customers by minimizing the impact of external factors. Larger assessments and measures become topics for the company's board.

### Actual Findings

Despite thorough screening processes and audits of suppliers, our due diligence assessments have not yet revealed any actual negative conditions or significant risks of negative consequences. Based on the risk assessment, we have selected suppliers from industries publicly assessed as vulnerable, where an explanation is requested.

We have also received guidance on some of our obligations from the Consumer Authority. This guidance has initiated a process where we will conduct a new mapping to identify opportunities to develop and improve our risk assessments across the business. This includes, but is not limited to, bribery, corruption, trade regulations, human rights, legal and enforcement matters. We will also look at opportunities to further incorporate the OECD framework for responsible business conduct into our processes, including downstream activities.

The company's risk landscape is not static, and our due diligence assessments must be dynamic so that we can continuously learn and make necessary adjustments, both regarding internal and external events. To reinforce the importance of our ethical guidelines, we will also introduce internal controls as a tool to identify weaknesses and gaps, and further improve our processes in accordance with the OECD framework.

### Risk of Negative Consequences

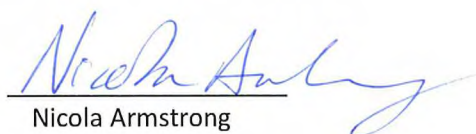
We have strict requirements and expect high standards from our suppliers and business partners. Our supplier principles are established to ensure safe working conditions in GKN Aerospace's value chain. We expect suppliers to treat workers with respect and dignity, conduct business in an

environmentally responsible manner, and follow internationally recognized principles and conventions.

Therefore, there is a constant need to conduct risk assessments, and what is considered a significant risk is assessed concretely in each case. As mentioned under actual findings, this is related to industries already vulnerable in terms of ensuring decent working conditions and fundamental human rights.



Joakim Andersson



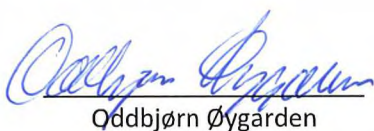
Nicola Armstrong



Alexander Andersson



Karin Andersson



Oddbjørn Øygarden



Linda Hansen



Bent Andersen



Sara Eklöf



Martin Ramfjord