

# Supplier Code of Conduct

March 2023

At GKN Aerospace we strive to operate with the highest ethical standards. We call this “**doing the right thing**” and it is at the heart of our mission of becoming the most **trusted** and **sustainable** partner in the sky.

Our suppliers are an integral part of this mission.

**As a supplier to GKN Aerospace, you are vital to our success and we fully expect our suppliers to likewise “do the right thing”. This means that in addition to providing the highest quality products or services, you must operate your business with integrity, committed to the highest ethical standards, adhering to your contractual obligations, and in compliance with all applicable laws and regulations.**

This Supplier Code of Conduct sets out our expectations and standards and applies to all our suppliers and those who work for and support our suppliers, such as your employees and your suppliers, at all tiers. These standards also apply to other third parties who provide services on our behalf. GKN believes this Supplier Code of Conduct is fair and reasonable and in accordance with Aerospace standards, laws and regulations and is therefore non-negotiable.

Should you have any questions about this Supplier Code of Conduct, or about what is expected of you as a GKN Aerospace supplier, please speak to your local contact at GKN Aerospace. If in doubt, ask.

**Here at GKN Aerospace, we believe in **Speaking Up** when we see behaviour which is wrong.**

### Hotline Webportal

- > We want everyone to feel valued at GKN Aerospace: kept safe, respected and treated fairly.
- > We want everyone to feel they can speak openly and honestly.
- > We therefore encourage our suppliers to join us in Speaking Up and reporting any concerns that they may have regarding breaches (or potential breaches) of the ethical principles contained in this Supplier Code of Conduct.
- > Such concerns can be reported via our Hotline Webportal available [here](#)
- > Further details about voicing concerns can be found [here](#)
- > GKN Aerospace maintains the strong principles of “Confidentiality, Non-retaliation, Investigation” when it comes Supplier’s reporting concerns. So please **Speak Up** if you see or suspect any wrongdoing

## Doing the right thing – what we expect from you....

As a supplier to GKN Aerospace, you and your suppliers will:

### ETHICAL STANDARDS & INTEGRITY

- > **General principles:** Conduct and maintain your business with the highest standards of integrity, honesty, respect for human dignity and rights, environmental consideration and professionalism and fair-dealing. You shall always have high standards of social responsibility when it comes to business ethics.
- > **Compliance with laws:** Fully comply with all applicable laws and regulations.
- > **Laws, Regulations, and Contracts:** Know and comply with laws, regulations and contractual obligations including compliance with terms, conditions, and requirements imposed (flowed-down) by GKN Aerospace's customers, including government customers.
- > **Maintain accurate records:** Create, maintain and retain accurate records. All records, regardless of format must fully and accurately represent the business transaction or event being documented, including, but not limited to, financial records, invoices, testing results, quality records, representations, and other records etc.
- > **Protect our reputation:** Not commit any act which may adversely impact our interests or reputation or those of our customers (which in some cases may be government customers).

### YOUR EMPLOYEES AND THE RIGHTS OF OTHERS

- > **Labour laws:** Comply with all applicable labour laws and regulations and internationally accepted standards of workers' rights and practices
- > **Human Slavery & Trafficking:** Adhere to regulations prohibiting modern slavery and human trafficking and actively look to promote policies which ensure that this does not occur within your business operations.
- > **Child & Forced Labour:** Not use child labour or any form of forced, bonded, or involuntary labour and ensure that appropriate procedures are in place to ensure that this does not occur within your business operations. No original copies of employee identification documents (passports or identity papers) will be kept by the supplier.
- > **Diversity & Inclusion:** Strive to foster a diverse and inclusive work environment where employees are treated with dignity, respect and fairness, regardless of political preference, union affiliation or other personal characteristic (including their race, colour, religion, gender, age, ethnic or national origin, disability, sexual orientation or preference, gender identity, marital status and citizenship status) and seek to provide employment without discrimination. This should be performed on a best efforts basis within the suppliers respective surroundings.
- > **Human Rights:** Conduct your business and operations in a way that respects basic human rights by treating all workers (your own, your suppliers and those of your customers) with dignity and respect.

- > **Employee compensation:** Pay at least the minimum compensation required by local law and provide all legally mandated benefits. We also expect our suppliers to work towards paying their employees the national living wage.
- > **Discrimination & Harassment:** Ensure your employment environment promotes fair employment practices for all employees and is free from abusive conduct including discrimination, actual or threatened physical abuse or discipline, sexual or other harassment, or other abusive conduct or intimidation.
- > **Employment contracts:** Ensure that all are provided with written and understandable information in their local language about their employment conditions in respect to wage, benefits and working hours, particularly as required by the law.
- > **Working conditions:** We expect our suppliers to operate in consideration of the International Labour Organisation (ILO) standards regulating working (including maximum working hours), resting hours, maximum consecutive days of work and annual leave, in addition to all applicable federal, state and local regulation.
- > **Grievance procedures:** Have any mandated and appropriate 'whistle-blowing' mechanisms for workers to raise grievances, problems or concerns or to appeal a disciplinary decision without fear of harassment, intimidation, penalty, interference or reprisal.

## HEALTH & SAFETY

- > **General compliance:** Suppliers are expected to comply with all applicable health and safety laws and regulations and work towards establishing appropriate health and safety management systems (e.g. ISO45001 or equivalent).
- > **Policies:** Establish policies aimed at protecting the health, safety and welfare of employees, contractors, visitors and others who may be affected by your business activities. Such policies should strive to eliminate fatalities, work-related injuries and health impairment whilst appropriately limiting exposures to safety hazards. Appropriate accident investigation and emergency response procedures should be put in place
- > **GKN Aerospace sites:** Where your employees are at a GKN Aerospace locations, ensure they comply with our health & safety, export control and security requirements and operate and behave in an acceptable and safe and compliant manner, without presenting an undue risk to themselves, our employees or representatives, or others.
- > **Safe working environment:** Provide a safe, clean and hygienic workplace for your employees and visitors (including our employees) and ensure that employee performance and safety is not compromised by alcohol, controlled substances, legal and illegal drugs.
- > **Identification of risks:** Properly identify and assess all hazards and risks associated with your activities and the use of your products or services and ensure that adequate safeguards and working practices are in place to reduce or eliminate them
- > **Safety-first principles:** Ensure that the 'Safety First' principle is adhered to, and actively engaged with, at all levels of your organisation both in terms of working practices and product safety. Airline personnel and passengers depend on this commitment for product safety and this principle should never be compromised and should be your first priority.

## LEGAL COMPLIANCE

- > **Anti-Corruption laws:** Comply with all applicable anti-bribery & corruption laws, directives and regulations, such as the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act.
- > **Bribes:** Suppliers must not offer to, or agree to receive any illegal payments from, any customer, supplier, their agents, representatives or others any illegal payments (or anything of value) intended to directly or indirectly, exert undue influence or improper advantage. This includes bribes, 'kickbacks' or other similar inducements such as overly elaborate gifts or business courtesies regardless of whether such activity violates local laws or not. We expect suppliers to implement policies to this effect and request that suppliers respect the limits that any recipient organisation imposes on its employees with regards to the receipt of gifts & business courtesies.
- > **Due diligence:** Perform appropriate due diligence to prevent and detect corruption in all business arrangements, this includes purchasing contracts, supplier contracts, partnerships, joint ventures, offset agreements, and the use of third parties such as agents or consultants
- > **Antitrust:** Not engage in anti-competitive behaviours prohibited by law or contractual requirements. This includes not engaging in fixing prices or rigging bids with your competitors, allocating or limiting customers or markets, or exchanging relevant pricing information with or between them. Suppliers must not engage in any cartel or other practices which would unlawfully limit competition. Never propose or enter into any agreements or understandings with suppliers that restrict the price or other terms at which we may resell any product or service to a third party.
- > **Intellectual Property:** Adhere to all applicable laws and contractual obligations governing intellectual property rights. This includes protection from unauthorised disclosure and improper use whether for your own benefit or otherwise.
- > **Data Protection & Privacy:** Maintain the confidentiality of all information (including personal data/information) entrusted to you by us and our customers or other third parties in accordance with all contractual obligations and applicable laws, including data protection and privacy laws.
- > **Illegal payments:** Not offer or make any improper payments of money (or anything of value) including 'business gratuities' intended to gain an unfair competitive advantage or exercise improper advantage. This is particularly pertinent in relation to government officials, political parties, candidates for public office, or other similar persons. Suppliers must not pay 'facilitating' or 'grease' payments intended to obtain or speed-up performance by a government official that is already required to perform an action, such as obtaining customs clearance. This prohibition does not apply to legally applicable formal fee schedules for expedited services or personal safety payments where there is an imminent threat to health or safety
- > **Tax:** Suppliers must comply with all applicable tax laws and regulations in the countries where they operate and be open and transparent with the tax authorities and not facilitate tax evasion whilst performing services for or on behalf of us.
- > **Fraud and deception:** Not engage in any practice which is, or might be perceived to be, corrupt, fraudulent or deceptive (whether on our behalf or otherwise). This includes defrauding and/or stealing and any kind of misappropriation of property or information through any means

- > **Insider information:** Suppliers and their personnel must not use any material or non-publicly disclosed information obtained in the course of their business relationship as the basis for insider trading.
- > **Trade and export control compliance:** Comply with all applicable trade compliance laws and regimes such as export, import, embargoes and sanctions. Truthful and accurate export control classifications must be provided and all necessary licences and authorisations must be obtained.
- > **Cybersecurity:** Safeguard and protect information entrusted to you (including personal data/information) and information generated or developed by you in support of our programs from unauthorised access, destruction, improper use, modification or disclosure and to provide immediate notification to all affected parties in the event that an actual or potential cyber incident has occurred. Suppliers must have a cybersecurity program designed to mitigate emerging threats to their information systems, products and services and supply chain and to comply with all applicable contractual and legal requirements

## SUSTAINABILITY & THE ENVIRONMENT

- > **Safeguarding the environment:** You shall endeavour to conduct your business in a way which safeguards and protects the natural environment and work towards ensuring that you have appropriate environment management systems (e.g. ISO14001 or equivalent) in place with the necessary policies and procedures to back up this commitment. You will follow our commitment on promoting sustainability to minimise our industries impact on climate change and to reduce energy use, waste, pollution, emissions, deforestation and resource consumption
- > **Consumption and withdrawal in your business operations in line with the correct water stewardship practices**
- > **Compliance with environmental laws:** Comply with all applicable environmental laws and regulations, obtain and comply with all necessary environmental permits and properly dispose of all hazardous and regulated substances. Appropriate training must be provided to anyone handling or disposing of hazardous materials. You shall also report to us any spills of hazardous materials, any concerns about your product being unsafe or any other breach of environmental laws or regulations.
- > **Packaging:** Seek to eliminate unnecessary packaging, and where feasible take it back for re-use.
- > **REACH:** Fully comply with the European Union REACH chemical regulation
- > **Monitoring:** Develop robust means by which it identifies and monitors the environmental impacts of its activities and ensure that appropriate controls are put in place to police this. This should include use of materials, waste and emissions
- > **Water:** Establish a commitment and pro-actively work towards reducing water
- > **Biodiversity:** Ensure that your business activities minimise any potential impact on biodiversity including on plant and animal life (particularly threatened or protected species), indigenous people and conservation/protected areas and active steps are taking to mitigate this.
- > **Resource management:** Manage resources such as metals and plastics appropriately and reduce waste going to landfill by implementing recycling and other waste reduction initiatives
- > **Horizon scanning:** In addition, suppliers are expected to anticipate future regulatory constraints on some chemicals/substances in order to ensure continuity of supply



## QUALITY AND RESPONSIBLE SOURCING OF MATERIALS

- > **Responsible sourcing:** Comply with applicable laws and regulations regarding all sourcing of critical material and conflict minerals particularly when integrated in purchased products. Those materials include tin, tungsten, tantalum and gold, rare earth elements, as well as other minerals or metals including bauxite, cobalt, titanium and lithium. Suppliers shall support efforts to eradicate the sourcing of materials that lead to human rights abuses and shall conduct due diligence on its suppliers to minimise any impacts. If the source is indeterminable, appropriate certifications should be obtained or that source of material should be phased out. All conflict mineral use should be monitored and reported to us (as applicable).
- > **Quality:** You must ensure that your products or services meet or exceed contractual requirements and you are constantly improving quality through robust quality assurance processes and defect prevention driven by a 'Zero Defect' commitment
- > **Counterfeit parts:** Ensure that effective processes are in place to detect and prevent counterfeit parts and materials and to ensure their exclusion in delivered products. Any such parts or materials shall be appropriately quarantined to ensure that they do not re-enter the supply chain and we should be notified accordingly

## CONFLICTS OF INTEREST

- > **Avoiding conflicts of interest:** Avoid conflicts of interest or situations giving the appearance of a potential conflict of interest in your dealings with us. A conflict of interest can arise when the personal interests of a person, including their family members, or other business associates, are inconsistent with the responsibilities of his or her position.
- > **Notification:** Provide immediate notification to all affected parties in the event that an actual or potential conflict of interest arises

## OBSERVING THIS POLICY

- > **Implementation:** Have appropriate policies and procedures in place to enable you to fully comply with this policy and have appropriate terms and conditions in your supply contracts to cascade these requirements down your supply chain
- > **Breach:** Inform us if you become aware of any actual or potential breach of this policy, whether by you or any other person or company
- > **Cooperation:** Provide us with reasonable assistance and any information necessary to demonstrate your compliance with this Code of Conduct and certify your compliance on request.
- > **Breadth of supply chain:** Provide a competitive opportunity for suppliers to earn a share of GKN's purchasing volume, including small businesses and businesses owned by the disadvantaged, minorities and women.

In striving **“to do the right thing”** for all of the stakeholders involved in our industry and for the benefit of the environment, our collective employees and the customers and end-users of our products, we ask that you commit to following the principles contained in the GKN Aerospace Code of Conduct.

You, as a supplier to GKN Aerospace, agree that you will comply with the principles of this Code of Conduct. You agree to do this by applying the principles contained in this Code of Conduct directly into your business’ principles, policies, procedures and ways of working and by cascading these principles into your own supplier code of conduct. These do not need to be identical, but the general principles and intentions should be. GKN Aerospace’s Code of Conduct represents a minimum standard of best practices and we strongly encourage suppliers to exceed these principles wherever possible and whenever necessary.

In the event that the expectations of GKN Aerospace’s Code of Conduct are not met, the business relationship may be reviewed and corrective action pursued including, in the case of serious breaches, termination of contract(s) and the business relationship.