

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

GKN AEROSPACE

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	1/8
2. Internal Controls	6	0/12
3. Support to Employees	7	1/14
4. Conflict of Interest	4	0/8
5. Customer Engagement	7	0/14
6. Supply Chain Management	5	2/10
7. Agents, Intermediaries and Joint Ventures	10	0/20
8. Offsets	4	0/8
9. High Risk Markets	4	3/8
10. State-Owned Enterprises	0	N/A
TOTAL		7/102
BAND		F

*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
0
Comments
There is no evidence that the company has a publicly stated anti-bribery and corruption commitment, which is authorised and endorsed by the company's leadership. The company mentions bribery and corruption as behaviours that will not be tolerated but this is indirect and not supported by a senior leadership figure.
Evidence
<p>[8] Our business (webpage) https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-business/ Honest and proper conduct is the foundation of the way we do things at GKN Aerospace. We are committed to the highest standards of ethical conduct and do not tolerate corrupt practices of any kind.</p> <p>This includes:</p> <ul style="list-style-type: none"> • avoiding conflicts between our personal interests and those of GKN Aerospace • competing fairly • not bribing people or accepting bribes • maintaining high standards of accuracy and integrity in our business records • protecting our Company assets • respecting personal information • complying with Export Control laws • treating our suppliers and partners with fairness and integrity. <p>Our commitment to run our business ethically is embedded in the GKN Aerospace Code and Policies.</p> <p>Our policies are available on request and must be followed by all GKN Aerospace employees and Board members. These policies are reviewed and updated, where necessary, in response to any actual or alleged instance of corruption.</p>

Question
<p>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</p> <p>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</p> <p>b) All board members, including non-executive directors.</p>
Score
1
Comments
<p>There is evidence that the company has an anti-corruption policy, which prohibits bribery and applies to all employees and board members.</p> <p>However, the policy does not explicitly prohibit payments to public officials or facilitation payments. It is also unclear whether the policy applies to the staff and leadership of subsidiaries and other controlled entities. While the company states that more detail on its ethical commitments can be found in the GKN Aerospace Code and Policies, this document is not publicly accessible.</p>
Evidence
<p>[8] Our business (webpage) https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-business/ Honest and proper conduct is the foundation of the way we do things at GKN Aerospace. We are committed to the highest standards of ethical conduct and do not tolerate corrupt practices of any kind.</p> <p>This includes:</p> <ul style="list-style-type: none"> • avoiding conflicts between our personal interests and those of GKN Aerospace • competing fairly • not bribing people or accepting bribes • maintaining high standards of accuracy and integrity in our business records • protecting our Company assets • respecting personal information • complying with Export Control laws • treating our suppliers and partners with fairness and integrity. <p>Our commitment to run our business ethically is embedded in the GKN Aerospace Code and Policies.</p> <p>Our policies are available on request and must be followed by all GKN Aerospace employees and Board members. These policies are reviewed and updated, where necessary, in response to any actual or alleged instance of corruption.</p> <p>[7] Our people (webpage) Accessed 16/07/2019 https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-people/ The GKN Aerospace Code describes how we conduct business in order to build a long term, sustainable future for GKN Aerospace and ensure our business continues to be run in an ethical and socially responsible manner.</p> <p>All GKN Aerospace employees and Board members must follow the Code. It sets out our company Values, which guide us in the way we do business, and the standards of behaviour expected in support of these Values.</p>

Question
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
0
Comments
There is no evidence that the company has a designated board committee or individual board member responsible for its anti-bribery and corruption programme.
Evidence
No evidence found.

Question
1.4. Is responsibility for implementing and managing the company's anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company's programme?
Score
0
Comments
There is no evidence that a specific managerial-level employee has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme.
Evidence
No evidence found.

2. Internal Controls

Question
2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
Score
0
Comments
There is no evidence that the company has a formal risk assessment procedure that is used to inform the company's anti-bribery and corruption programme.
Evidence
No evidence found.

Question
2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?
Score
0
Comments
There is no evidence that the company's anti-bribery and corruption programme is subject to regular audit or review. Although the company commits to reviewing and updating its policies as a result of any allegations of corruption, this is insufficient to receive a score of '1'.
Evidence
[8] Our business (webpage) https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-business/ Our policies are available on request and must be followed by all GKN Aerospace employees and Board members. These policies are reviewed and updated, where necessary, in response to any actual or alleged instance of corruption.

Question
2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
0
Comments
Although the company publicly commits to investigating incidents and providing feedback to whistleblowers, there is no clear evidence that of specific procedures in place to deal with complaints, which stipulates documentation and actions to be taken at each step.
Evidence
<p>[7] Our people (webpage) Accessed 16/07/2019 https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-people/ Speaking up</p> <p>We believe in speaking up when we see behaviour which is wrong. We actively promote the importance of our confidential employee disclosure hotline, available to all employees who can raise concerns in their own languages, anonymously if they prefer. It is hosted by an external, independent company and is available 24 hours a day, seven days a week. Matters reported are investigated and feedback is always provided to the caller.</p>

Question
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
0
Comments
There is no evidence that the company assures itself of the quality of its internal investigations.
Evidence
No evidence found.

Question
2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
0
Comments
There is no evidence that the company has an investigative procedure, which includes a commitment to report material findings to relevant authorities.
Evidence
No evidence found.

Question
2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?
Score
0
Comments
The company does not publish any data on ethical or bribery and corruption investigations, or disciplinary actions involving its employees.
Evidence
No evidence found.

3. Support to Employees

Question
3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
Score
0
Comments
<p>There is evidence that the company provides training on the GKN Aerospace Code and Values to all employees. However, the company receives a score of '0' because it is unclear whether this includes the company's policies on anti-bribery and corruption and the company does not otherwise explicitly state that it conducts training on anti-bribery and corruption.</p>
Evidence
<p>[3] Revised supply chain management policy (webpage) Accessed 16/07/2019 https://www.gknaerospace.com/en/Utilities/gkn-aerospace-suppliers/news/2016/gkn-issues-revised-supply-chain-management-policy/ All GKN Aerospace employees receive training on the GKN Aerospace Code and Values, including mutual respect for the individual, and the responsibilities of our suppliers to adhere to the Supplier Code of Conduct.</p> <p>[8] Our business (webpage) https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-business/ Honest and proper conduct is the foundation of the way we do things at GKN Aerospace. We are committed to the highest standards of ethical conduct and do not tolerate corrupt practices of any kind.</p> <p>This includes:</p> <ul style="list-style-type: none"> • avoiding conflicts between our personal interests and those of GKN Aerospace • competing fairly • not bribing people or accepting bribes • maintaining high standards of accuracy and integrity in our business records • protecting our Company assets • respecting personal information • complying with Export Control laws • treating our suppliers and partners with fairness and integrity. <p>Our commitment to run our business ethically is embedded in the GKN Aerospace Code and Policies.</p> <p>Our policies are available on request and must be followed by all GKN Aerospace employees and Board members. These policies are reviewed and updated, where necessary, in response to any actual or alleged instance of corruption.</p>

Question
3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees: a) Employees in high risk positions, b) Middle management, c) Board members.
Score
0
Comments
There is no evidence that the company provides different or tailored anti-bribery and corruption training to employees based on an assessment of their role and exposure to corruption risk.
Evidence
[3] Revised supply chain management policy (webpage) Accessed 16/07/2019 https://www.gknaerospace.com/en/Utilities/gkn-aerospace-suppliers/news/2016/gkn-issues-revised-supply-chain-management-policy/ All GKN Aerospace employees receive training on the GKN Aerospace Code and Values, including mutual respect for the individual, and the responsibilities of our suppliers to adhere to the Supplier Code of Conduct.

Question
3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?
Score
0
Comments
There is no evidence that the company measures or reviews the efficacy of its anti-bribery and corruption communications or training programme.
Evidence
No evidence found.

Question
3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
There is no evidence that the company's incentive schemes incorporate ethical or anti-bribery and corruption principles.
Evidence
No evidence found.

Question
3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
0
Comments
There is no evidence that the company commits to support or protect employees who refuse to act unethically.
Evidence
No evidence found.

Question
3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
0
Comments
There is no publicly available evidence that the company has policy of non-retaliation against whistleblowers or employees who report bribery and corruption incidents.
Evidence
No evidence found.

Question
3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
1
Comments
<p>There is evidence that the company has an external whistleblowing hotline, which is available to all employees in all relevant languages and allows for anonymous and confidential reporting.</p> <p>However, there is no evidence that the company provides other reporting options, including advice channels for employees to ask questions about the company's anti-bribery and corruption policy or activities. Moreover, there is no clear evidence that the external channel is available to employees of third parties, suppliers or joint venture partners.</p>
Evidence
<p>[3] Revised supply chain management policy (webpage) Accessed 16/07/2019 https://www.gknaerospace.com/en/Utilities/gkn-aerospace-suppliers/news/2016/gkn-issues-revised-supply-chain-management-policy/ GKN Aerospace maintains procedures for employees to report a failure to comply with the GKN Aerospace Code, including a toll-free employee disclosure hotline.</p> <p>[7] Our people (webpage) Accessed 16/07/2019 https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-people/ Speaking up</p> <p>We believe in speaking up when we see behaviour which is wrong. We actively promote the importance of our confidential employee disclosure hotline, available to all employees who can raise concerns in their own languages, anonymously if they prefer. It is hosted by an external, independent company and is available 24 hours a day, seven days a week. Matters reported are investigated and feedback is always provided to the caller.</p> <p>[6] Modern Slavery Statement Accessed 16/07/2019 https://www.gknaerospace.com/globalassets/downloads/modern-slavery-statement/gkn-aerospace-modern-slavery-statement.pdf/ [p.2] Whistleblowing</p> <p>The Company operates and encourages the use of a confidential and anonymous whistleblowing hotline. The hotline is operated by an independent external service provider, which allows employees to speak in confidence to someone who is neither another employee nor their line manager. The external provider reports all employee disclosures to the Company's central legal function, who investigate calls to the hotline independently from the Company's management. The hotline is a freephone telephone number, which is widely publicised at the Company's site, on the Code and via the Company's intranet.</p>

4. Conflict of Interest

Question
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
0
Comments
There is no publicly available evidence that the company has a conflict of interest policy. The company publishes a statement about avoiding conflicts of interest, but this is insufficiently detailed. While the company's Supplier Code of Conduct includes a conflict of interest statement, there is no evidence that this extends to GKN Aerospace employees.
Evidence
<p>[8] Our business (webpage) https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-business/ Honest and proper conduct is the foundation of the way we do things at GKN Aerospace. We are committed to the highest standards of ethical conduct and do not tolerate corrupt practices of any kind.</p> <p>This includes:</p> <ul style="list-style-type: none"> avoiding conflicts between our personal interests and those of GKN Aerospace <p>[1] Supplier Code of Conduct Accessed 16/07/2019 https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf [p.2] Avoid engaging with GKN Aerospace employees in a way which results in, or may be perceived to result in, an inappropriate conflict of interest for them. A conflict of interest can arise when the personal interests of a GKN Aerospace employee are inconsistent with the responsibilities of his or her position.</p>

Question
4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
0
Comments
There is no evidence that the company has procedures in place to manage conflicts of interest, which are overseen by a responsible body or individual.
Evidence
<p>[8] Our business (webpage) https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-business/ Honest and proper conduct is the foundation of the way we do things at GKN Aerospace. We are committed to the highest standards of ethical conduct and do not tolerate corrupt practices of any kind.</p> <p>This includes:</p> <ul style="list-style-type: none"> avoiding conflicts between our personal interests and those of GKN Aerospace <p>[1] Supplier code of conduct Accessed 16/07/2019 https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf</p> <p>[p.2] Avoid engaging with GKN Aerospace employees in a way which results in, or may be perceived to result in, an inappropriate conflict of interest for them. A conflict of interest can arise when the personal interests of a GKN Aerospace employee are inconsistent with the responsibilities of his or her position.</p>

Question
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
0
Comments
There is no evidence that the company has a policy regulating the employment of current or former public officials.
Evidence
No evidence found.

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
There is no evidence that the company reports details of the contracted services of serving politicians.
Evidence
No evidence found.

5. Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
There is no publicly available evidence that the company has a policy on corporate political contributions.
Evidence
No evidence found.

Question
5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?
Score
0
Comments
There is no evidence that the company discloses any details of its political contributions.
Evidence
No evidence found.

Question
5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?
Score
0
Comments
There is no evidence that the company has a policy or procedure covering both charitable donations and sponsorships. There is evidence to suggest that the company engages in charitable projects, but it does not provide further details regarding these activities.
Evidence
<p>[9] Our world (webpage) Accessed 16/07/2019 https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-world/ Most GKN Aerospace sites are actively involved in a huge variety of different projects, supporting their local communities, donating time to good causes and raising money for charitable projects around the world. Sometimes these are corporate initiatives, but in many cases projects and initiatives are instigated by employees.</p>

5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
0
Comments
There is no evidence that the company has a policy or procedure on lobbying.
Evidence
No evidence found.

Question
5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?
Score
0
Comments
There is no evidence that the company publishes any information on its lobbying aims, topics or activities.
Evidence
No evidence found.

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
0
Comments
There is no evidence that the company publishes any details about its global lobbying expenditure.
Evidence
No evidence found.

5.3 Gifts and Hospitality

Question
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
Score
0
Comments
There is some evidence that the company has a policy on the giving and receipt of gifts and hospitality, but this appears to apply only to the company's suppliers, rather than its own employees.
Evidence
<p>[1] Supplier Code of Conduct Accessed 16/07/2019 https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf</p> <p>[p.2] As a supplier to GKN you will:</p> <p>[...]</p> <p>Respect GKN Aerospace's position on gifts and hospitality. We prefer that you do not give GKN Aerospace employees gifts or gratuities. GKN Aerospace operates a corporate hospitality policy and GKN Aerospace employees may be required to decline gifts, gratuities or offers of hospitality which may be perceived as a bribe or inducement. GKN Aerospace employees are never allowed to request gifts and under no circumstances should you feel obliged to offer gifts or gratuities to a GKN Aerospace employee.</p>

6. Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
0
Comments
There is no evidence that the company requires the involvement of its procurement department in the establishment and oversight of its supplier base.
Evidence
No evidence found.

Question
6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?
Score
0
Comments
There is no evidence that the company conducts anti-bribery and corruption due diligence on its supply chain.
Evidence
No evidence found.

Question				
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?				
Score				
1				
Comments				
<p>There is some evidence that the company ensures that its suppliers have adequate anti-bribery and corruption policies and procedures in place, which prohibit bribery and facilitation payments, and that have procedures related to conflicts of interest and gifts and hospitality. The company also states that it has the right to audit suppliers and that it assures itself on an annual basis of its suppliers' adherence to its principles.</p> <p>However, it is unclear if it conducts this assurance for all suppliers, or whether the company assures itself of this whenever there is a significant change in the business relationship. Additionally, there is no evidence that the company's suppliers are required to have a procedure for whistleblowing.</p>				
Evidence				
<p>[1] Supplier Code of Conduct Accessed 16/07/2019 https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf</p> <p>[p.1] To help you understand what we expect of you and your suppliers in practice, we have prepared this Supplier Code of Conduct which applies globally to all suppliers to GKN Aerospace. We require that you and all our other suppliers comply with this policy, regardless of any conflicting local business practices or social customs.</p> <div><div><h2>Doing the right thing – what we expect from you...</h2><h3>As a supplier to GKN Aerospace, you and your suppliers will:</h3><table><thead><tr><th>ETHICAL STANDARDS</th><th>BRIBERY & CORRUPTION</th></tr></thead><tbody><tr><td><ul style="list-style-type: none">> Maintain high standards of integrity, honesty, professionalism and fair-dealing.> Not commit any act which may adversely impact GKN Aerospace's interests, reputation or good standing.> Conduct your business in an open and ethical manner, with respect for human dignity and rights.> Always have high standards of social responsibility.> Respect the integrity of any information we provide to you and only use it for the purposes for which it is provided.</td><td><ul style="list-style-type: none">> Not engage in any practice which is, or might be perceived to be, corrupt or fraudulent.> Neither pay nor accept (nor tolerate anyone else paying or accepting) any bribes, 'kickbacks' or other similar payments or inducements. This includes 'facilitation payments' made to facilitate or speed up official or governmental procedures.</td></tr></tbody></table></div></div> <p>[p.2] As a supplier to GKN you will:</p> <p>[...]</p> <p>Avoid engaging with GKN Aerospace employees in a way which results in, or may be perceived to result in, an inappropriate conflict of interest for them. A conflict of interest can arise when the personal interests of a GKN Aerospace employee are inconsistent with the responsibilities of his or her position.</p> <p>Respect GKN Aerospace's position on gifts and hospitality. We prefer that you do not give GKN Aerospace employees gifts or gratuities. GKN Aerospace operates a corporate hospitality policy and GKN Aerospace employees may be required to decline gifts, gratuities or offers of hospitality which may be perceived as a bribe or inducement. GKN Aerospace employees are never allowed to request gifts and under no circumstances should you feel obliged to offer gifts or gratuities to a GKN Aerospace employee.</p>	ETHICAL STANDARDS	BRIBERY & CORRUPTION	<ul style="list-style-type: none">> Maintain high standards of integrity, honesty, professionalism and fair-dealing.> Not commit any act which may adversely impact GKN Aerospace's interests, reputation or good standing.> Conduct your business in an open and ethical manner, with respect for human dignity and rights.> Always have high standards of social responsibility.> Respect the integrity of any information we provide to you and only use it for the purposes for which it is provided.	<ul style="list-style-type: none">> Not engage in any practice which is, or might be perceived to be, corrupt or fraudulent.> Neither pay nor accept (nor tolerate anyone else paying or accepting) any bribes, 'kickbacks' or other similar payments or inducements. This includes 'facilitation payments' made to facilitate or speed up official or governmental procedures.
ETHICAL STANDARDS	BRIBERY & CORRUPTION			
<ul style="list-style-type: none">> Maintain high standards of integrity, honesty, professionalism and fair-dealing.> Not commit any act which may adversely impact GKN Aerospace's interests, reputation or good standing.> Conduct your business in an open and ethical manner, with respect for human dignity and rights.> Always have high standards of social responsibility.> Respect the integrity of any information we provide to you and only use it for the purposes for which it is provided.	<ul style="list-style-type: none">> Not engage in any practice which is, or might be perceived to be, corrupt or fraudulent.> Neither pay nor accept (nor tolerate anyone else paying or accepting) any bribes, 'kickbacks' or other similar payments or inducements. This includes 'facilitation payments' made to facilitate or speed up official or governmental procedures.			

[...]

Comply with all applicable anti bribery and corruption legislation. You must never engage in any form of bribery or other corrupt practices on behalf of GKN Aerospace.

[...]

OBSERVING THIS POLICY

- Have appropriate policies and procedures in place to enable you to fully comply with this policy. These need not be identical to this policy, but as a minimum they must be consistent with its principles.
- Provide GKN Aerospace with any information it reasonably requests to demonstrate your compliance with this policy and certify your compliance with this policy on request.
- Inform GKN Aerospace if you become aware of any actual or potential breach of this policy, whether by you or any other person or company.
- Have appropriate terms and conditions in your supply contracts to cascade these requirements down your supply chain.
- Allow GKN Aerospace employees and third party representatives to visit your premises and/or access your records and/or personnel on reasonable notice to audit and ensure compliance with the above requirements.

[4] General Purchasing Conditions UK

Accessed 16/07/2019

<https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/contractual---uk/gkn-aerospace-services-limited-general-purchasing-conditions.pdf/>

[p.1]

8. General

- 8.1 You must comply with all applicable laws, regulations and codes including those concerning anti bribery, anti corruption, anti trust and export control and also with the GKN Supplier Code of Conduct made available at:
www.gkn.com/corporateresponsibility/

[5] Standard Terms and Conditions of Purchase US

Accessed 16/07/2019

<https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/contractual---usa/standard-terms-and-conditions-of-purchase-includes-fars-and-dfars-us-global.pdf>

[p.6] 21.1. Supplier shall:

21.1.1. comply with all anti-bribery laws, including non-exclusively all applicable laws relating to anti-bribery and anti-corruption including the (UK) Bribery Act 2010 and the (US) Foreign Corrupt Practice Act of 1977; and

21.1.2. have and maintain in place its own policies and procedures (including "adequate procedures" under the (UK) Bribery Act 2010) to ensure compliance with anti-bribery laws and GKN's Supplier Code of Conduct <https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf>, and enforce them in accordance with their terms.

21.1.3. promptly report to GKN any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of this purchase order or Contract;

21.1.4. upon request, within one (1) month after the date of this order or Contract, and annually thereafter should the order or Contract remain in force, certify to GKN in writing signed by the Supplier, compliance with this clause by the Supplier and all persons associated with it as described below. The Supplier shall provide such supporting evidence of compliance as GKN may reasonably request.

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
1
Comments
<p>There is some evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required of sub-contractors throughout the supply chain.</p> <p>However, this evidence is in the form of a simple statement and it is unclear how the company does this in practice.</p>
Evidence
<p>[1] Supplier Code of Conduct Accessed 16/07/2019 https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf [p.2] OBSERVING THIS POLICY</p> <p>[...]</p> <ul style="list-style-type: none"> Have appropriate terms and conditions in your supply contracts to cascade these requirements down your supply chain. <p>[5] Standard Terms and Conditions of Purchase US Accessed 16/07/2019 https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/contractual---usa/standard-terms-and-conditions-of-purchase-includes-fars-and-dfars-us-global.pdf [p.6] 21.2. Supplier shall ensure that any person associated with Supplier who is performing services or providing goods in connection with this purchase order or Contract does so only on the basis of terms equivalent to those imposed on Supplier in this Section 21. Supplier shall be responsible for the observance and performance by such persons of this section, and shall be directly liable to GKN for any breach by such persons of any of this section.</p>

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or anti-bribery and corruption investigations relating to its suppliers.
Evidence
No evidence found.

7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
0
Comments
There is no evidence that the company has a clear policy covering the use of agents.
Evidence
No evidence found.

Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
0
Comments
There is no publicly available evidence that the company conducts anti-bribery and corruption due diligence on its agents or intermediaries.
Evidence
No evidence found.

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
0
Comments
Based on publicly available information, there is no evidence that the company aims to establish the beneficial ownership of its agents.
Evidence
No evidence found.

Question				
7.1.4 Does the company’s anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?				
Score				
0				
Comments				
Although the company has a Supplier Code of Conduct, which requires suppliers to adopt anti-bribery and corruption policies, there is no evidence that this code applies to agents and intermediaries. Additionally, while the company’s standard purchasing contracts include anti-bribery and corruption clauses, it is also not clear that these contracts apply to agents and intermediaries.				
Evidence				
<p>[1] Supplier Code of Conduct Accessed 16/07/2019 https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf</p> <p>[p.1] To help you understand what we expect of you and your suppliers in practice, we have prepared this Supplier Code of Conduct which applies globally to all suppliers to GKN Aerospace. We require that you and all our other suppliers comply with this policy, regardless of any conflicting local business practices or social customs.</p> <p>[...]</p> <div><p>Doing the right thing – what we expect from you...</p><p>As a supplier to GKN Aerospace, you and your suppliers will:</p><table><tr><th>ETHICAL STANDARDS</th><th>BRIBERY & CORRUPTION</th></tr><tr><td><ul style="list-style-type: none">➤ Maintain high standards of integrity, honesty, professionalism and fair-dealing.➤ Not commit any act which may adversely impact GKN Aerospace’s interests, reputation or good standing.➤ Conduct your business in an open and ethical manner, with respect for human dignity and rights.➤ Always have high standards of social responsibility.➤ Respect the integrity of any information we provide to you and only use it for the purposes for which it is provided.</td><td><ul style="list-style-type: none">➤ Not engage in any practice which is, or might be perceived to be, corrupt or fraudulent.➤ Neither pay nor accept (nor tolerate anyone else paying or accepting) any bribes, ‘kickbacks’ or other similar payments or inducements. This includes ‘facilitation payments’ made to facilitate or speed up official or governmental procedures.</td></tr></table></div> <p>[p.2] As a supplier to GKN you will:</p> <p>[...]</p> <p>Avoid engaging with GKN Aerospace employees in a way which results in, or may be perceived to result in, an inappropriate conflict of interest for them. A conflict of interest can arise when the personal interests of a GKN Aerospace employee are inconsistent with the responsibilities of his or her position.</p> <p>Respect GKN Aerospace’s position on gifts and hospitality. We prefer that you do not give GKN Aerospace employees gifts or gratuities. GKN Aerospace operates a corporate hospitality policy and GKN Aerospace employees may be required to decline gifts, gratuities or offers of hospitality which may be perceived as a bribe or inducement. GKN Aerospace employees are never allowed to request gifts and under no circumstances should you feel obliged to offer gifts or gratuities to a GKN Aerospace employee.</p> <p>[...]</p>	ETHICAL STANDARDS	BRIBERY & CORRUPTION	<ul style="list-style-type: none">➤ Maintain high standards of integrity, honesty, professionalism and fair-dealing.➤ Not commit any act which may adversely impact GKN Aerospace’s interests, reputation or good standing.➤ Conduct your business in an open and ethical manner, with respect for human dignity and rights.➤ Always have high standards of social responsibility.➤ Respect the integrity of any information we provide to you and only use it for the purposes for which it is provided.	<ul style="list-style-type: none">➤ Not engage in any practice which is, or might be perceived to be, corrupt or fraudulent.➤ Neither pay nor accept (nor tolerate anyone else paying or accepting) any bribes, ‘kickbacks’ or other similar payments or inducements. This includes ‘facilitation payments’ made to facilitate or speed up official or governmental procedures.
ETHICAL STANDARDS	BRIBERY & CORRUPTION			
<ul style="list-style-type: none">➤ Maintain high standards of integrity, honesty, professionalism and fair-dealing.➤ Not commit any act which may adversely impact GKN Aerospace’s interests, reputation or good standing.➤ Conduct your business in an open and ethical manner, with respect for human dignity and rights.➤ Always have high standards of social responsibility.➤ Respect the integrity of any information we provide to you and only use it for the purposes for which it is provided.	<ul style="list-style-type: none">➤ Not engage in any practice which is, or might be perceived to be, corrupt or fraudulent.➤ Neither pay nor accept (nor tolerate anyone else paying or accepting) any bribes, ‘kickbacks’ or other similar payments or inducements. This includes ‘facilitation payments’ made to facilitate or speed up official or governmental procedures.			

Comply with all applicable anti bribery and corruption legislation. You must never engage in any form of bribery or other corrupt practices on behalf of GKN Aerospace.

[...]

OBSERVING THIS POLICY

- Have appropriate policies and procedures in place to enable you to fully comply with this policy. These need not be identical to this policy, but as a minimum they must be consistent with its principles.
- Provide GKN Aerospace with any information it reasonably requests to demonstrate your compliance with this policy and certify your compliance with this policy on request.
- Inform GKN Aerospace if you become aware of any actual or potential breach of this policy, whether by you or any other person or company.
- Have appropriate terms and conditions in your supply contracts to cascade these requirements down your supply chain.
- Allow GKN Aerospace employees and third party representatives to visit your premises and/or access your records and/or personnel on reasonable notice to audit and ensure compliance with the above requirements.

[4] General Purchasing Conditions UK

Accessed 16/07/2019

<https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/contractual---uk/gkn-aerospace-services-limited-general-purchasing-conditions.pdf/>

[p.1]

- 7.2 We may terminate the Contract: (i) for convenience by providing you with written notice; (ii) immediately if you or your parent company become subject to a bankruptcy or insolvency event or enter into a composition with any of your creditors; or (iii) if you breach the Contract, and, if the breach can be remedied, you fail to remedy such breach within 10 days of receiving notice of the breach.

[...]

8. General

- 8.1 You must comply with all applicable laws, regulations and codes including those concerning anti bribery, anti corruption, anti trust and export control and also with the GKN Supplier Code of Conduct made available at:
www.gkn.com/corporateresponsibility/

[5] Standard Terms and Conditions of Purchase US

Accessed 16/07/2019

<https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/contractual---usa/standard-terms-and-conditions-of-purchase-includes-fars-and-dfars-us-global.pdf>

[p.6] 21.1. Supplier shall:

21.1.1. comply with all anti-bribery laws, including non-exclusively all applicable laws relating to anti-bribery and anti-corruption including the (UK) Bribery Act 2010 and the (US) Foreign Corrupt Practice Act of 1977; and

21.1.2. have and maintain in place its own policies and procedures (including "adequate procedures" under the (UK) Bribery Act 2010) to ensure compliance with anti-bribery laws and GKN's Supplier Code of Conduct <https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf/>, and enforce them in accordance with their terms.

21.1.3. promptly report to GKN any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of this purchase order or Contract;

21.1.4. upon request, within one (1) month after the date of this order or Contract, and annually thereafter should the order or Contract remain in force, certify to GKN in writing signed by the Supplier, compliance with this clause by the Supplier and all persons associated with it as described below. The Supplier shall provide such supporting evidence of compliance as GKN may reasonably request.

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
There is no evidence that the company's incentive structures for agents are designed to minimise risks of anti-bribery and corruption or that incentive structures are recognised as a risk factor in agent behaviour.
Evidence
No evidence found.

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for and/or on behalf of the company.
Evidence
No evidence found.

Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption related investigations, incidents or the associated disciplinary actions involving agents.
Evidence
No evidence found.

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
0
Comments
There is no evidence that the company conducts anti-bribery and corruption due diligence on its joint ventures.
Evidence
No evidence found.

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
0
Comments
There is no evidence that the company commits to establishing or implementing anti-bribery and corruption policies or procedures in its joint ventures.
Evidence
No evidence found.

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
0
Comments
There is no evidence that the company commits to take an active role in preventing bribery and corruption in its joint ventures.
Evidence
No evidence found.

8. Offsets

Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
0
Comments
There is no evidence that the company addresses the corruption risks associated with offset contracting. There is no evidence that a dedicated body, department or team is responsible for monitoring the company's offset activities.
Evidence
No evidence found.

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
0
Comments
There is no evidence that the company has a procedure in place for conducting due diligence on its offset obligations.
Evidence
No evidence found.


Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
The company does not publish any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of the company.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
The company does not publish any details of its offset obligations and/or contracts.
Evidence
No evidence found.

9. High Risk Markets

Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
0
Comments
There is no evidence that the company acknowledges the corruption risks of operating in different markets, or that risk assessment procedures are used to inform the company's operations in high risk markets.
Evidence
No evidence found.

Question
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?
Score
0
Comments
The company does not publish a list of its subsidiaries.
Evidence
No evidence found.

Question
9.3 Does the company disclose its beneficial ownership and control structure?
Score
2
Comments
The company is a wholly-owned subsidiary of a UK-listed company, Melrose Industries Plc. It therefore automatically receives a score of '2'.
Evidence
<p>[14] Financial Times Markets Data (webpage) Accessed 03/09/2019 https://markets.ft.com/data/equities/tearsheet/summary?s=MRO:LSE</p>  <p>[10] History (webpage) Accessed 16/07/2019 https://www.gknaerospace.com/en/about-gkn-aerospace/history/</p> <p>GKN's aerospace business was built into the world's leading independent producer of aerostructures, the purchase in 2009 of the Airbus wing manufacturing and assembly plant at Filton near Bristol in the UK a key milestone. The acquisitions of Volvo Aero, the aero engine division of AB Volvo, in 2012 and Fokker Technologies Group B.V. in 2015 further reinforced its global leadership. In 2018 Melrose Industries acquired GKN.</p> <p>[12] Melrose Annual Report 2018 Accessed 16/07/2019 https://www.melroseplc.net/media/2414/melrose-industries-plc-annual-report-2018.pdf</p> <p>[p.191]</p>

3. Investment in subsidiaries continued

	Equity interest %	Class of Share held		Equity interest %	Class of Share held
581 88 Linköping			FAD (UK) Limited	100	Ordinary
Industrigruppen JAS AB	20	Ordinary	Firth Cleveland Limited	100	Ordinary
Taiwan			FKI Plan Trustees Limited	100	Ordinary
14 Kwang Fu Road, Hsin-Chu Industrial Park, Hukou, Hsin Chu 30351		Common Stock	GKN Aerospace Transparency Systems (Luton) Limited	100	Ordinary
Taiway Limited	36.25		GKN Birfield Extrusions Limited	100	Ordinary
Thailand			GKN Bound Brook Limited	100	Ordinary
9/21 Moo 5, Phaholyothin Road Klong 1, Klong Luang, Patumthanee, 12120			GKN Building Services Europe Limited	100	Ordinary
GKN Aerospace Transparency Systems (Thailand) Limited	100	Ordinary	GKN CEDU Limited	100	Ordinary
Eastern Seaboard Industrial Estate, 64/9 Moo 4, Tambon Pluakdaeng, Amphur Pluakdaeng, Rayong 21140			GKN Composites Limited	100	Ordinary
GKN Driveline (Thailand) Limited	100	Ordinary	GKN Computer Services Limited	100	Ordinary
Turkey			GKN Countertrade Limited	100	Ordinary
Ege Serbest Bölgesi, SADI Sok. No:10, 35410 Gaziemir, Izmir			GKN Defence Holdings Limited	100	Ordinary
Fokker Elmo Havacılık Sanayi Ve Ticaret Limited Şirketi	100	Ordinary	GKN Defence Limited	100	Ordinary
Organize Sanayi Bölgesi 20, Cadde No: 17, 26110, Eskişehir			GKN Enterprise Limited	100	Ordinary
GKN Eskişehir Automotive Products Manufacture and Sales A.S.	100	Ordinary	GKN Euro Investments Limited	100	Ordinary
Istanbul AHL Serbest Bölgesi, Yesilkoy SB Mah. Havalimani Cd. L2 Blok Sokak No:1, 34149 Yesilkoy, Bakirkoy, Istanbul, Turkey			GKN Export Services Limited	100	Ordinary
GKN Sinter Istanbul Metal Sanayi Ve Ticaret Anonim Şirketi	100	Ordinary	GKN Fasteners Limited	100	Ordinary
			GKN Finance (UK) Limited	100	Ordinary
			GKN Firth Cleveland Limited	100	Ordinary
					Ordinary and redeemable preference
			GKN Group Services Limited	100	Ordinary
			GKN Hardy Spicer Limited	100	Ordinary
			GKN Holdings Limited	100	Ordinary
			GKN Industries Limited	100	Ordinary
			G.K.N. International Trading (Holdings) Limited	100	Ordinary
			GKN Limited	100	Ordinary

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Company and shareholder information

As at 31 December 2018, there were 18,405 holders of ordinary shares of 48/7 pence each in the Company. An analysis of these shareholdings as at 31 December 2018 is set out in the table below.

Shareholder analysis

Balance Ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–5,000	13,875	75.39%	18,706,523	0.39%
5,001–50,000	3,546	19.27%	46,545,041	0.96%
50,001–500,000	522	2.83%	90,691,687	1.86%
Over 500,000	462	2.51%	4,702,311,712	96.79%
Total	18,405	100.00%	4,858,254,963	100.00%
Held by				
Individuals	15,207	82.62%	58,941,326	1.21%
Institutions	3,198	17.38%	4,799,313,637	98.79%
	18,405	100.00%	4,858,254,963	100.00%

Question

9.4 Does the company publish a percentage breakdown of its defence sales by customer?

Score

1

Comments

The company publishes a percentage breakdown of its sales by customer, accounting for 71% of its sales. The company indicates that 29% of its total sales are defence-related.

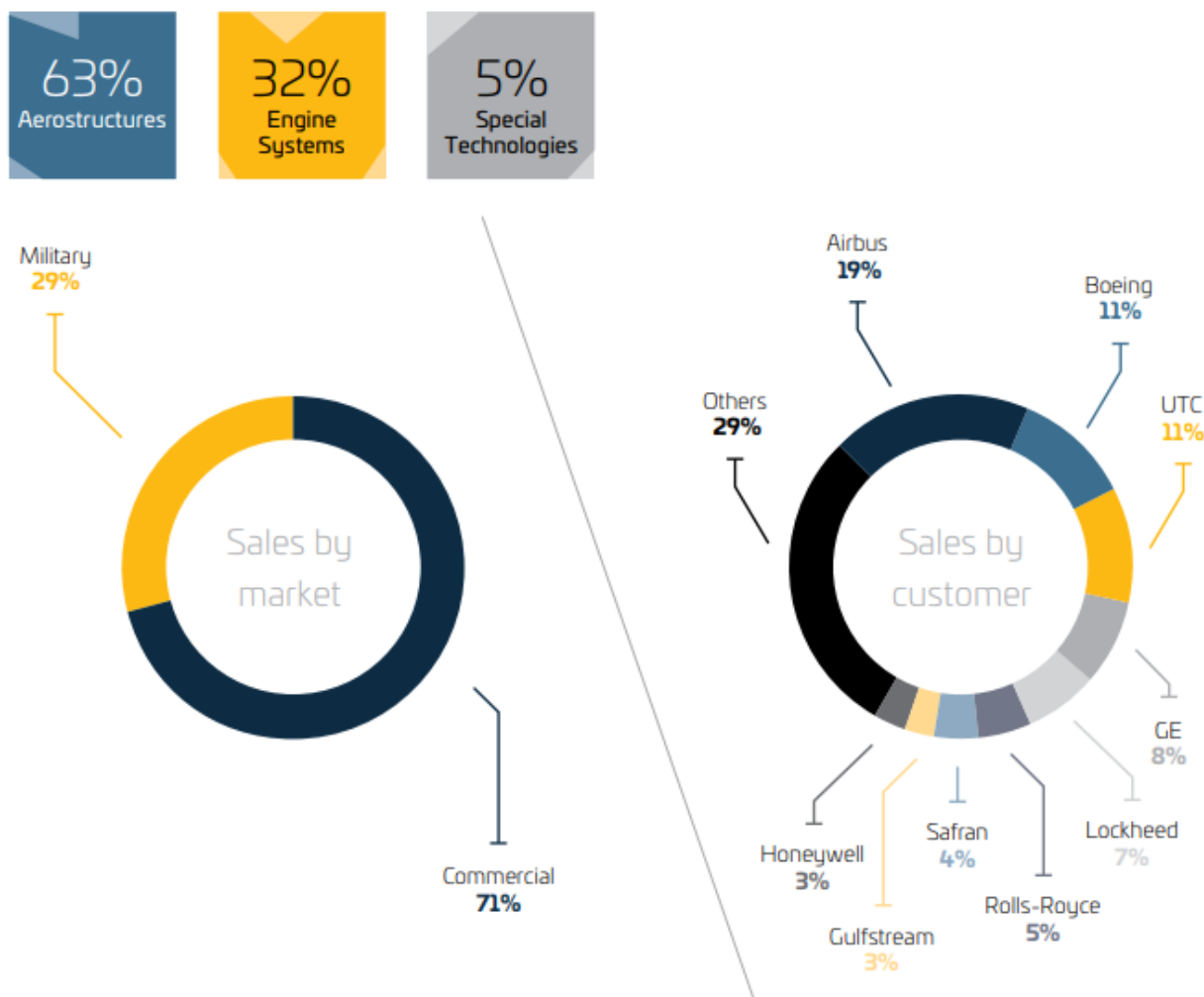
However, it is not clear which customers comprise its defence sales. It is also unclear whether this data is updated on an annual basis.

Evidence
[13] GKN Capabilities

Accessed 17/07/2019

<https://www.gknaerospace.com/globalassets/downloads/gkn-capabilites-brochure-2019-paris.pdf>

[p.4]



10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
N/A
Comments
N/A
Evidence

List of Evidence & Sources

No	Type (Webpage or Document)	Name	Download Date	Link
01	Document	Supplier Code of Conduct	16/07/2019	https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf
02	Document	Supplier Quality Assurance Manual	16/07/2019	https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/contractual---uk/supplier-quality-assurance-manual.pdf/
03	Webpage	Revised supply chain management policy	16/07/2019	https://www.gknaerospace.com/en/Utilities/gkn-aerospace-suppliers/news/2016/gkn-issues-revised-supply-chain-management-policy/
04	Document	General Purchasing Conditions UK	16/07/2019	https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/contractual---uk/gkn-aerospace-services-limited-general-purchasing-conditions.pdf/
05	Document	Standard Terms and Conditions of Purchase US	16/07/2019	https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/contractual---usa/standard-terms-and-conditions-of-purchase-includes-fars-and-dfars-us-global.pdf
06	Document	Modern Slavery Statement	16/07/2019	https://www.gknaerospace.com/globalassets/downloads/modern-slavery-statement/gkn-aerospace-modern-slavery-statment.pdf/
07	Webpage	Our people	16/07/2019	https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-people/
08	Webpage	Our business	16/07/2019	https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-business/
09	Webpage	Our world	16/07/2019	https://www.gknaerospace.com/en/about-gkn-aerospace/sustainability/our-world/
10	Webpage	History	16/07/2019	https://www.gknaerospace.com/en/about-gkn-aerospace/history/
11	Webpage	Open Ownership	16/07/2019	https://register.openownership.org/entities/59b93d4767e4ebf3406ce9ba
12	Document	Annual Report 2018	16/07/2019	https://www.melroseplc.net/media/2414/melrose-industries-plc-annual-report-2018.pdf
13	Document	GKN Capabilities	16/07/2019	https://www.gknaerospace.com/globalassets/downloads/gkn-capabilites-brochure-2019-paris.pdf/
14	Webpage	Financial Times Markets Data	03/09/2019	https://markets.ft.com/data/equities/tearsheet/summary?s=MRO:LSE