

Slavery & Human Trafficking Statement for GKN Automotive Limited (the “Company”) for the year ended 31 December 2019

This Slavery and Human Trafficking Statement, made pursuant to section 54 of the Modern Slavery Act 2015, summarises the steps which the Company has taken to address the risk of slavery and human trafficking (“modern slavery”) in its operations and supply chains during the year ended 31 December 2019.

THE COMPANY

The Company is part of GKN Automotive, which is a global business which designs, develops, manufactures and supplies an extensive range of automotive driveline products and systems for use in a variety of vehicles.

The Company carries on central and head office functions for the wider GKN Automotive business, and holds certain intellectual property rights related to GKN Automotive which it licenses to other group companies. The Company operates from offices in London and the West Midlands, UK.

For the year ended 31 December 2019 the Company had revenues of approximately £138 million which derived from distributions from subsidiaries and licensing royalties.

SLAVERY & HUMAN TRAFFICKING WITHIN THE COMPANY’S OWN ORGANISATION

Policies

The Company has a code of conduct known as the GKN Automotive Code (the “Code”). The Code is a key part of the Company’s compliance and governance arrangements and sets out the standards of behaviour expected of the Company and its employees in support of its Company’s values. GKN Automotive summarises these values as ‘Doing the Right Thing’, which includes treating people with dignity, respecting the rights of others, speaking up when we see behaviour which is wrong, and promoting honest and proper conduct.

The Code requires employees to treat people justly and strictly prohibits the use of child or forced labour in the Company’s operations or supply chains.

The Code applies to all GKN Automotive employees. Everybody who works for a GKN Automotive business, including the Company, is required to comply with the Code. During 2019, all new employees of the Company were provided with a copy of the Code and were asked to read it as part of their induction process. The Code was also made available to the Company’s employees via an intranet site.

In addition, as an indirect subsidiary of Melrose Industries Plc, the Company is subject to the Melrose Anti-slavery and Human Trafficking Policy, which makes clear the Company’s commitment to avoiding modern slavery in its business operations.

Assurance processes

Whistleblowing

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.

Employees are actively encouraged to report any behaviour inconsistent with the Code or policy, which would include any actual or suspected incidents of modern slavery, to the Company’s management directly or via the whistleblowing hotline.

Throughout the year the Company received no reported concerns regarding modern slavery in its operations. If such an issue was reported, the Company would immediately undertake a thorough investigation of the issue complained of and where substantiated, the Company would put in place robust action plans to eliminate the issue and protect any employees.

HR and operational processes which reduce the risk of modern slavery

Recruitment Processes

The Company maintains a centralised HR function which has responsibility for all recruitment activities and in doing so follows standard recruitment procedures. The Company uses reputable employment agencies and temporary labour agencies in sourcing its labour and conducts appropriate due diligence on any new agency it engages.

Access to Company offices

The Company maintains strict access and security controls at its two office premises, which are only accessible with a security pass. This ensures that only employees and authorised visitors can access the offices and mitigates any risk of unauthorised individuals being granted access.

Employee Assistance Programme

The Company provides all its employees with confidential support via an Employee Assistance Programme which employees can access by calling a confidential helpline or visiting a website. Workers can access wellbeing fact sheets, videos, self-help programmes, interactive tools and educational resources to help with challenges such as bereavement, medical or health related issues, coaching managers and life support.

Risk of modern slavery and in the Company's business

We have considered the risk of modern slavery taking place in the Company's business during the year.

Taking into account that the Company only operates in the UK and the low prevalence of forced labour in the UK, the roles being performed (and the skills and qualifications needed to perform those roles) by the Company's employers and contractors, the policies adopted by the Company and the assurance processes in place, the Company's recruitment processes, the Company's access and security controls at its site and the absence of reports of concerns or incidents regarding forced labour, the risk of modern slavery occurring within the Company's direct employee and contractor population is considered to be negligible.

SLAVERY AND HUMAN TRAFFICKING WITHIN THE COMPANY'S SUPPLY CHAIN

The Company's suppliers

The Company's supply chain reflects the nature of its activities as a head office function. As such its suppliers provide goods and services such as stationary, postal services, software, vehicle hire, telecoms, IT services, recruitment services, professional services, cleaning and facilities management services. etc.

Supplier Policies

Supplier Code of Conduct

The Company's Supplier Code of Conduct sets out the minimum ethical standards expected from all the Company's suppliers. The Supplier Code of Conduct prohibits engagement with suppliers that infringe internationally accepted standards of workers' rights, use child or forced labour, have poor standards of responsibility or fail to comply with relevant laws and regulations.

It also contains explicit requirements to cascade the Company's expectations down the supply chain and a right for the Company to visit supplier locations to ensure compliance with the Company's requirements. The Supplier Code of Conduct can be accessed at the following link:

www.gknautomotive.com/SupplierCodeofConduct

Due Diligence

The Company undertakes a due diligence process on its suppliers when they are appointed. This includes an assessment of the supplier's ethical behaviour and reputation.

Adverse Media Screening

The Company screens its suppliers on a daily basis against a range of media and denied parties databases. This system would assist the company in identifying any suppliers who had been publicly identified as being engaged in modern slavery. During 2019 such searches did not raise any issues of concern.

Terms and conditions with suppliers

The Company's standard terms and conditions require all suppliers to apply the Supplier Code of Conduct and allow the Company to terminate contracts for non-compliance. A copy of the Company's standard terms and conditions can be accessed at the following link: www.gknautomotive.com/generalpurchasingconditions

Risk of modern slavery in the Company's supply chain

We have considered the risk of modern slavery taking place in the Company's supply chain during the year. Having regard to the identity and nature of the Company's suppliers, the countries in which they operate, the risk assessments and diligence undertaken on them and the absence of reports of concerns or incidents regarding forced labour, the risk of modern slavery occurring within the Company's supply chain is considered to be low.

THE COMPANY'S EFFECTIVENESS IN COMBATING MODERN SLAVERY

Having considered the above analysis and controls, the Company considers that it is effective in ensuring that slavery and human trafficking is not taking place in its business or supply chains, and that the steps it takes are both proportionate and effective.

This statement applies to the financial year ending 31 December 2019. It has been approved by the Board and signed by a director on its behalf on the date set out below.



Roberto Fioroni
Director

Date: 15 June 2020