

Modern Slavery Statement FY20 – FY21

Darchem Engineering Ltd ('Darchem') is committed to supporting fundamental human rights and believe in the dignity and worth of all individuals. We do not use or allow the use of slave or forced labour or human trafficking in our business activities and expect our suppliers to adhere to these same principles. We condemn any degrading treatment of individuals.

This statement is made pursuant to Section 54 of the United Kingdom's Modern Slavery Act of 2015 and details the steps Darchem has taken to ensure that slavery and human trafficking is not taking place in our business and supply chains. It constitutes our slavery and human trafficking statement for the financial year ending on 30 September 2021. Darchem is a wholly owned subsidiary of TransDigm Group Inc., a \$5.5 billion turnover US public company, which operates in the Aerospace and Defence market.

Organisational structure and supply chains

Darchem is a market leader in the design, manufacture and installation of a wide range of high integrity engineered products in stainless steel and titanium as well as thermal insulation systems for aerospace, motorsport, marine defence, nuclear and oil & gas applications. Specifically, our product lines include insulation systems, aerostructures, honeycomb systems, nuclear systems, thermal protection, and special fabrications.

We have two manufacturing facilities located in the United Kingdom. We have a team of approximately 680 employees, all of whom are based in the United Kingdom. We work with vendors from countries around the world to source both raw materials and components to fabricate and assemble our products.

Organisation Policies

Darchem is committed to ethical conduct in all aspects of our business and has a zero tolerance approach to slavery and human trafficking. We operate a number of internal policies to ensure that we are conducting business in an ethical manner.

The Whistleblower Policy and the Code of Business Conduct and Ethics can be found at www.transdigm.com/investor-relations/corporate-governance/.

The Code of Business Conduct and Ethics communicates our human rights standards, including freedom from forced labour and human trafficking. This code applies to everyone in Darchem. Employees are required to sign the Code of Conduct to demonstrate their commitment and compliance with this Code.

Darchem has a Modern Slavery Policy that prohibits Darchem, our employees, agents, subcontractors and subcontractor employees from engaging in activities that are known enablers of human trafficking as identified in the Modern Slavery Act 2015. These activities include charging recruitment fees, withholding employee identity or immigration documents and using misleading or fraudulent practices during the recruitment of employees, as well as providing arranged housing that fails to meet host country housing and safety standards.

All Darchem supervisors, managers, and executives are required to read and adhere to our Policy and related procedures. We maintain ethics advisors in our business units to further support policy adherence. We are committed to updating our ethics policies periodically to include lessons learned and reflect new insights into improving our effectiveness in the fight against slavery and human trafficking.

We also have a Code of Conduct (Code) that applies to all Darchem's suppliers and to all supplier facilities performing work for Darchem. Darchem's key suppliers are expected to sign a certification committing to the principles contained within the Code. The Code makes clear that we expect our suppliers to adhere to our human rights standards, including our Policy regarding slavery and human trafficking, and to have management systems in place to support compliance with the Code. The Code expects our suppliers to have documented ethics and compliance policies, to implement their own code of conduct, and to flow down the principles of their code to their own supply chain.

Due diligence and assessing and managing risk

Darchem's risk assessment of its supply chain takes into consideration, country and sector risks, due diligence red flags and screening. It will recur annually. Darchem internal procedures ensure that all due diligence requirements are carried out so that any modern slavery risks are assessed and measured appropriately.

Darchem uses the Slavery and Trafficking Risk Template (STRT) to survey our suppliers to assess the risk of slavery and human trafficking. This risk screening approach directly engages suppliers and, as such, fosters constructive dialogue and further raises supplier awareness of our expectations with regards to protecting workers from slavery and human trafficking. It also collects data in a standardized, efficient manner flowing down and gathering information through deep supply chains.

Darchem also included an express commitment for Suppliers to comply with the Modern Slavery Act or equivalent national legislation for our supplier base offshore from the United Kingdom. This has been implemented into our standard Terms & Conditions.

Key performance indicators

Darchem measures its effectiveness by confirming that the targeted suppliers certify compliance with the Darchem Code of Conduct.

Darcem's dedicated Modern Slavery Policy uses a number of key performance indicators to ensure that the business manages risk appropriately as well as measures the extent of its performance and progress regarding its modern slavery compliance requirements.

Darcem conducts informal audits of suppliers on a global basis including suppliers in the UK and mainland European countries, to verify that suppliers remain in compliance with the Darcem Code of Conduct.

Darcem will continuously improve by evaluating processes to identify suppliers that present human rights violation risks.

Training

Darcem employees complete modern slavery awareness training to the relevant employee audiences such as purchasing, logistics, compliance and, manufacturing, every three years, in addition to annual refresher training during the interim years.

The Senior Leadership Team of Darcem recognises the importance of the provisions of the Modern Slavery Act 2015 and the Directors aim to ensure that slavery and human trafficking have no part in the company's operations and supply chain. Darcem has always been vigilant about employee welfare and aims to be transparent in its practices. We welcome the opportunity to state our firm commitment to a zero-tolerance approach to modern slavery and human trafficking.



Richard Betts,
President
30th March 2021