

MODERN SLAVERY STATEMENT for financial year 2016/17

This statement is made pursuant to s.54 of the Modern Slavery Act 2015.

It sets out the steps that The Barden Corporation (UK) Ltd has undertaken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

We are committed to acting in an ethical manner, with integrity and transparency in all business dealings. We are committed to creating effective systems and controls to safeguard against any form of modern slavery taking place within the business or our supply chain.

Our Organization

We are part of The Schaeffler Group. The Schaeffler Group is a leading global integrated automotive and industrial supplier. The company stands for the highest quality, outstanding technology, and strong innovative ability. The Schaeffler Group makes a decisive contribution to "mobility for tomorrow" with high-precision components and systems in engine, transmission, and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications.

The Schaeffler Group generated sales of approximately 13.3 billion euros in 2016 with around 89.400 employees. Schaeffler is one of the world's largest family owned companies. It has a worldwide network of manufacturing locations, research and development facilities and sales companies at approximately 170 locations in over 50 countries.

Due to our complex international supply chain, the Schaeffler Group is exposed to a certain level of risk of being confronted either directly or indirectly with legal violations or human rights violations. The company's acceptance of responsibility and due diligence processes in relation to human rights issues are primarily oriented towards the "UN guiding principles on business and human rights" and towards the ten principles of the UN Global Compact. Both the Modern Slavery Act (MSA) introduced in Great Britain and the German Action Plan for Economics and Human Rights require companies to formulate and implement goals and measures to protect human rights along their supply chain.

The Schaeffler Group fulfils these requirements with structured activities designed with long-term considerations in mind: Using a risk-based process, the Schaeffler Group has developed processes and policies to fulfil the Modern Slavery Act. We are also operating a number of internal policies to ensure that we are conducting business in an ethical and transparent manner, as well as continuing to formulate and implement goals and measures to protect human rights along our supply chain. Some of these processes, policies, practices and plans are detailed below:

Our Code of Conduct

This code sets out the principles and practices that must be observed in letter and spirit by all Schaeffler employees, managers and the Executive Board, as Schaeffler also expects from its business partners. Approved by the entire Executive Board and fully supported by the Schaeffler family, the code demonstrates the importance Schaeffler attaches to responsible corporate conduct including the rejection of forced and child labor. The Executive Board of Schaeffler AG expects each of its employees to feel personally responsible for compliance with this Code of Conduct and to encourage colleagues to abide by it as well. You can view a copy of our [Schaeffler Group Corporate Code of conduct](#).

Our Suppliers and Partners

We began to establish a structured business partner due diligence process in 2016. As part of this process, central business partners of the Schaeffler Group were reviewed with regard to their recognition of and adherence to international principles and guidelines on human rights, among other issues. We are committed to Human rights Compliance with human rights according to the principles of the UN Global Compact being fully integrated into the business partner due diligence process. We are similarly committed to the continued implementation of the Schaeffler Sustainability Strategy in supplier relationships and the implementation of the [Schaeffler Group Corporate Supplier Code of Conduct](#).

After excluding low-risk business partners, we plan to review our remaining partners as part of an onboarding process. The review includes asking questions about the company's business models as well as their organizational structures. If there are any concerns in individual cases in this respect, the partners in question will either not be integrated into the business relationship or specific measures will be agreed upon in each individual case to counteract the risk of forced labor and slavery. Controlling and monitoring aspects are also being established in contracts with companies as part of this company-specific collaboration, in order to permanently exclude any legal violations.

Training

We conduct modern slavery training for relevant employees so that they are aware of the issues surrounding modern slavery and what to do if they suspect that it is taking place within our supply chain. Schaeffler AG and its group companies are pursuing a top down approach. After top management were sensitized to these issues through initial communication measures in 2016, starting in 2017 we plan to integrate employees into the process under a need to know principle. The knowledge we establish in this way should form the foundation of a culture that avoids forced labor and slavery in an even more structured manner and will support the compliance processes we have established.

Whistleblowing

Notifications about substantial violations of the Schaeffler Group Code of Conduct, specifically illegal business practices, can be made using the internal incident reporting system at any time. The system is available in a number of languages and allows a confidential and specially encrypted, secure dialogue with our investigation team in the Compliance department. This ensures that all employees know they can raise concerns about any non-compliant or unethical practices within our business or supply chain, without fear of reprisals.

For more information on our aims, achievements and progress in these fields please see [Sustainability Report](#).

Approval for this statement

This statement was approved by the Board of Directors on
by Jon Everett (director)



12th December 2017