



Modern Slavery Statement

We are proud of the steps we have taken to combat slavery and human trafficking. Federal-Mogul Powertrain supports the protection of international human rights within the realm of its influence and is committed to the highest ethical standards. The group does not tolerate inhumane treatment of its employees such as, but not limited to, physical abuse, harassment or the threat thereof. The group will not employ forced, bonded or involuntary labour. All employment terms are to be voluntary between the group and its employees. This applies to all co-workers, managers, suppliers and customers and we are happy that this policy is strictly complied with.

ORGANISATIONAL STRUCTURE

This statement applies to our four operating facilities in the UK which are in the Powertrain division of the Federal-Mogul group.

- Our Coventry site is a manufacturer of sintered products (trading as Federal-Mogul Coventry Limited)
- Our Bradford site is a manufacturer of pins (trading as Federal-Mogul Bradford Limited)
- Our Rotherham site is a distribution centre for piston rings (trading as Piston Rings (UK) Limited)
- Our Manchester site is a corporate office (trading as Federal-Mogul Limited)

The manufacturing and distribution facilities operate as branches of the UK parent company, Federal-Mogul Limited, hence this statement applies to all four limited companies.

We are part of the Federal-Mogul Corporation which has its head office in the US. The group has over 53,000 employees worldwide and operates in 34 countries.

The group has a global annual turnover of \$7.4B.

OUR BUSINESS

Our business is organised into two business units:

- Powertrain which is advanced technologies and precision components for demanding Powertrain applications and environments
- Motorparts which has leading products and globally recognised brands designed, manufactured and distributed for ease of installation and repair

Our supply chains

Our supply chains include the network created amongst different companies producing, handling and/or distributing specific products or services.

Specifically, the supply chain encompasses the steps it takes to get goods or services from the supplier to the customer.

Federal-Mogul categorises its vendors into the following segments;

- Direct Material and Service vendors
- Indirect Material and Service vendors
- Capital Equipment (Capex) and Tooling
- Transportation

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

In light of the obligation to report on measures to ensure that all parts of our business and supply chain are slavery free we have reviewed our workplace policies and procedures to assess their effectiveness in identifying and tackling modern slavery issues.

Our workplace policies and procedures demonstrate our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

Please see the link below to our Integrity policy and our code of conduct.

<http://fedmogul.uberflip.com/i/786648-federal-mogul-code-of-conduct-external>

<http://www.federalmogul.com/en-us/company/documents/integritypolicy.pdf>

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk we complete the following:

- ISO/TS audits
- Integrity certification for new starters and recertification on annual basis for existing employees
- Code of conduct training for all new employees
- Integrity certification on an individual's exit from the companies employment
- Equality training to all new employees
- Federal-Mogul Hotline
- Compliance team
- Supporting HR procedures

We have in place systems to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistle blowers.

SUPPLIER ADHERENCE TO OUR VALUES

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we have in place a supply chain compliance programme.

This programme begins when a new supplier is approved by Federal-Mogul. Before commencing any business with the supplier they are sent a pack which contains all of Federal-Mogul policies and procedures which are relevant such as our Code of Conduct. Each supplier is then requested to sign a contract which confirms they will abide by our policies and procedures which include zero tolerance to slavery and human trafficking. Although each supplier is not reviewed currently due to the thousands of suppliers which we use when each order is created the supplier receives a reminder of our policies and procedures by way of links with each order.

We have a compliance team, which consists of representatives from the following departments:

- General Counsel's office
- Finance
- Human resources
- Internal Audits Department

TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff. We provide this training on induction and refresher training annually to our salaried paid employees. We also require our business partners to provide training to their staff, suppliers and providers.

OUR EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

We reserve the right to spot check our suppliers as we deem necessary and to measure how effective we have been to ensure that slavery and human trafficking is not taking place in any part of our business or supply chains.

FURTHER STEPS

Following a review of the effectiveness of the steps we have taken this year to ensure that there is no slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking:

- To continue with our training as described throughout this document to new employees on a regular basis and to recertify our existing employees
- To work with our purchasing department to improve our requirements through our suppliers
- To continue to promote our policies and the F-M hotline throughout our organisation

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31st December 2016.

This statement has been approved by the board and signed by:



Santino Lammond
Director
Federal-Mogul Coventry Limited



Paul Fletcher
Director
Federal-Mogul Bradford Limited



Elaine Milner
Director
Federal-Mogul Limited



Steven Firth
Director
Piston Rings (UK) Limited