



# Slavery and Human Trafficking Statement for the 2018 Financial Year

**WABCO**

Mobilizing Vehicle Intelligence



This statement is made in accordance with Section 54 of the Modern Slavery Act 2015 and is meant to demonstrate our commitment to anti-slavery practices both within our business and in our supply chain. It has been approved by the board of WABCO Automotive U.K. Ltd. (“WABCO UK”) on 27 March 2019. WABCO UK is part of the global WABCO group of companies (“WABCO”).

### **WABCO and its supply activities**

- WABCO is the No.1 global supplier of technologies and services that improve the safety, efficiency and connectivity of commercial vehicles.
- WABCO pioneers breakthrough innovations for advanced driver assistance, braking, stability control, suspension, transmission automation and aerodynamics for the world’s commercial truck, bus, trailer, car and off-highway manufacturers.
- We have about 16,000 employees – including 2,600 engineers – in 40 countries.
- S&P (“Sourcing & Purchasing”) is present in 4 regions: Europe Middle East & Africa (EMEA), Asia Pacific (APAC), India and Americas and oversees a supply base of 1,800 suppliers worldwide.
- S&P’s mission is to differentiate WABCO, providing our customers with exceptional quality and delivery at a competitive cost by leading the right supply base. We do so always bearing in mind and insisting on the importance of an ethical conduct throughout our business including our supply chain.
- We operate diverse supply chains for our global business hubs and product lines supporting WABCO’s innovation. We source merchandise (ready for sale products), components and goods and services that directly impact WABCO’s production along the product life cycles.

### **Policies and procedures**

- We are a global company with a powerful reputation for the excellence of our products and services. Our reputation is also built on a strong foundation of integrity and fair dealing in every aspect of our business. Protecting such reputation is a key pillar to maintain the confidence and trust of WABCO’s diverse stakeholders.
- To conduct business openly and honestly, we obey the law of the countries in which we operate and respect the dignity of every individual. We are committed to protecting the environment, respecting Human Rights and maintaining a safe and friendly workplace, throughout our supply chain.
- As clearly stated in our Code of Conduct, we recognize and respect employees’ rights to be members of a union, Works Council or other employee representative body. We also provide payment and reward that is competitive in local markets, consistent with industry standards and in line with or above applicable minimum wage requirements. And we certainly do not tolerate child, compulsory, forced or slave labor in any of the markets in which we operate.
- We get to know our prospective suppliers through a Supplier Profile Questionnaire (SPQ). We build mutually beneficial relationships with suppliers and

service providers and award business to them on the basis of the value they provide. In return, we expect them to share our ethical standards, uphold our Code of Conduct or a code with equivalent provisions and report on compliance in key areas, including anti-bribery legislation, the use of conflict minerals and the exploitation of child, compulsory, forced or slave labor. Whenever placing new business or appointing a new supplier, we also ensure that they confirm compliance with applicable laws, regulations and industry standards.

- In order to secure such compliance, we seek to ensure that our suppliers accept our terms and conditions when entering into a contract with them. These terms and conditions also provide that our suppliers shall themselves, when entering into relationships with their own suppliers, only do so by written contracts with equivalent terms and that they shall be responsible for the observance and performance of such terms by such suppliers.
- To help them perform to a high standard and provide transparency with regards to our expectations, we created the WABCO Supplier Manual. This single source of reference is designed to make our processes easy to understand and follow by our suppliers. It also deals with commitment to compliance and corporate social responsibility and reminds to suppliers that we expect them to respect the dignity of every individual.
- Any situation which would not be in line with our Code of Conduct may be reported to our global Ethics Hotline available 24 hours a day, seven days a week. The Ethics Hotline is free, provides confidential advice and allows you to report any situation. It is staffed by a third party organization, you can be confident of its security, confidentiality and professionalism. We also promise no retaliation if a compliance breach is reported in good faith even if no violation has actually occurred.

## Due diligence processes, risk assessment and management

- We have a process in place that helps us to identify risks in the supply chain and to manage and communicate those towards the relevant stakeholders. This process is supported by a software with various push alerts depending on the risk at stake (which could include human trafficking

or child labor). We have the ability to sort these risks per supplier or per region in order to better address and remedy them.

- Our aim for the coming years is to improve this existing system by, amongst others offering a central system continuously tracking such risks or by sending automatic notifications depending on the level of risk together with a proposal to mitigate such risk.

## Staff trainings

- All employees are expected to know and follow WABCO's Code of Conduct. Certain employees are required to participate in an additional Ethics Training Program relevant to their roles within WABCO. Each year the content of our Ethics Training Program is adapted to provide adequate focus on relevant and current compliance and ethics matters. Our Ethics Training Program is available in a series of online courses designed to deepen participants' knowledge of key legal and compliance topics that impact the way we do business.
- S&P Buyers are regularly trained by our legal team which constantly insists on the importance to follow well established and detailed processes in order to contract with suppliers.
- In its trainings, our legal team makes sure that the S&P team bears in mind the importance of securing compliance in our supply chain at all times and the fact that such compliance should never be negotiable.

## Continuous improvement

- As part of our commitment to continuous improvement across our supply chain, we intend to enlarge our S&P community's mission by incorporating a clear ethical dimension. Our aim will be to implement that mission in practice, taking new initiatives in order to better understand and monitor our supply chain.
- Among such initiatives, we shall improve our Supplier Profile Questionnaire (SPQ) practice. Before entering into a contractual relationship, we ask all potential suppliers to complete such SPQ in order to check if they are aligned with our sourcing strategy including questions on ethical aspects of our suppliers' business. We will further enhance this by implementing a monitoring and evaluation process.

April 2019



**Lisa Brown**  
Chief Legal Officer

**WABCO**

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