

# FEDERAL·MOGUL POWERTRAIN



## Modern Slavery Statement

Following the acquisition of the Federal-Mogul Corporation by Tenneco Inc. in October 2018, we are now part of the Tenneco Group of Companies, which has its head office in the US. The legacy Federal-Mogul group includes the Powertrain and Motorparts segments, which have over 53,000 employees worldwide and operate in 34 countries.

These segments had 2018 revenue of \$1.1B and \$774 million, respectively.

We are proud of the steps we have taken to combat slavery and human trafficking and Federal-Mogul Powertrain continues to support the protection of international human rights within the realm of its influence and is committed to the highest ethical standards. The group will not tolerate inhumane treatment of its employees such as, but not limited to, physical abuse, harassment or the threat thereof. The group does 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 six operating facilities in the UK which are in the Powertrain division of the Federal-Mogul group.

- Our Coventry (Holbrooks) 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 Manchester site is a corporate office (trading as Federal-Mogul Limited)
- Our Rotherham site is a distribution centre for piston rings (trading as Piston Rings (UK) Limited)
- Our Essex and Coventry (Rowley Drive) sites are Research and Development Centres (trading as Federal-Mogul Controlled Power Limited)

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

### OUR BUSINESS

Our business has historically been organized 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 recognized brands designed, manufactured and distributed for ease of installation and repair and which is anticipated to be included in the new organization, DRiV following the planned separation of DRiV from Tenneco.

## **OUR SUPPLY CHAIN**

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 categorizes 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 continue to be 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 regularly review our workplace policies and procedures, including the code of conduct, to assess their effectiveness in identifying and tracking 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.

## **DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING**

As part of our ongoing efforts to identify and mitigate risk, we continue to complete the following:

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

The systems we have in place continue 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 chain
- 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.

The 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 the 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 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, all our staff are provided with training. This training occurs on induction and refresher training continues to be provided on an annual basis to all 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 chain.

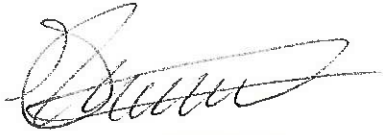
## **FURTHER STEPS**

Following a review of the effectiveness of the steps we have taken in 2017 and 2018 to ensure that there is no slavery or human trafficking in our supply chains, we continue with the following actions, in order to combat slavery and human trafficking:

- We continue to deliver our training as described throughout this document to new employees on induction and to recertify existing employees on an annual basis.
- We work with our purchasing department to improve our requirements through our suppliers.
- We continue to promote our policies and the F-M hotline throughout our organization.

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 31<sup>st</sup> December 2019.

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



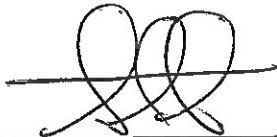
---

Elaine Milner  
Director  
Federal-Mogul Limited



---

Steven Firth  
Director  
Piston Rings (UK) Limited



---

Andrew Stamper  
Director  
Federal-Mogul Controlled Power Limited

January 2020

## **Tenneco Statement on Efforts to Prevent Slavery and Human Trafficking in its Supply Chains**

This Statement relates to Tenneco's fiscal years ended December 31, 2017 and 2018.

Tenneco has prepared and made public this Statement in furtherance of the California Transparency in Supply Chains Act and the UK Modern Slavery Act. These laws are designed to increase the amount of information made available by subject companies regarding their efforts to address the issue of slavery and human trafficking.

Tenneco is committed to conducting its business in an ethical and responsible manner that supports and respects the protection of human rights. Tenneco's compliance and ethics expectations are set forth in our Code of Conduct, our Supplier Manual, training materials, and other communications that Tenneco provides to its employees and suppliers. Tenneco supports a safe and healthy working environment for all workers, and seeks in all instances to provide working conditions that meet or exceed applicable laws and standards.

In addition to Tenneco's own commitment to fair working conditions, a guiding principle of Tenneco's Code of Conduct states, "Tenneco respects the human rights of all people and expects our suppliers and other business partners to follow the same high standards of social responsibility." Tenneco views compliance with this commitment to human rights as an important responsibility of every Tenneco employee and supplier. Employees review and accept compliance with the Code of Conduct annually and suppliers are required to abide by Tenneco's Code of Conduct as a condition of doing business with Tenneco. Employees that violate the Code of Conduct may be disciplined or dismissed, depending upon the nature of the violation.

Tenneco further seeks to enforce its commitment to human rights through the publication, distribution, and enforcement of Tenneco's Supplier Manual. Each supplier wishing to do business with Tenneco is required to abide by the principles outlined in Tenneco's Supplier Manual, which states:

"Tenneco opposes the use of child labor and expects our suppliers to support this value. The age of employment should be in accordance with local labor law. Tenneco expects our suppliers to oppose any form of forced or compulsory labor, and ensure that their workers are able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment. Tenneco expects our suppliers to support zero tolerance of harassment or discrimination against their employees in any form. Tenneco supports a safe and healthy working environment for all workers that meets or exceeds applicable standards for occupational safety and health and expects the same from our suppliers."

Tenneco assesses and selects its suppliers with care and seeks to engage only those suppliers that comply with all applicable laws, as well as the principles embodied in our Code of Conduct and Supplier Manual.

Tenneco conducts internal training concerning forced labor and fair working conditions, and relevant training materials are available on Tenneco's employee intranet site. Tenneco also requires that each direct material supplier maintain a training program concerning Tenneco's commitment to forced labor and working conditions. Tenneco endorses and encourages suppliers to complete the training and Global Working Conditions Self-Assessment provided by the [Automotive Industry Action Group](#). As Tenneco expects its suppliers to conduct internal audits and self-assessments as a condition of contracting with Tenneco, Tenneco does not independently audit suppliers, although it reviews some of the self-assessments completed by suppliers. To the extent that ethics or compliance issues are noted in the context of any interaction with a supplier, Tenneco has procedures in place to take appropriate and necessary action to address and resolve such issues.

To promote accountability, Tenneco is committed to taking appropriate actions to discontinue relationships with suppliers and other third parties who fail to meet its high standards for lawful and ethical conduct, including prohibitions on the use of forced labor in any of its forms, such as human trafficking and slavery. Tenneco maintains an Ethics and Compliance Hotline and multiple reporting channels through which any concerns or potential deviations from Tenneco's expected values can be reported. Such reports are promptly investigated and appropriate actions taken.

This Statement has been approved by the Boards of Directors of the applicable Tenneco group companies and signed by the undersigned as a director of each such company as a representative thereof and not in her individual capacity.

 C.J. A. Jones

Carol Jones