



Slavery and Human Trafficking Statement

AB SKF is the parent company of the SKF Group, SKF (U.K.) Limited (Collectively "SKF") are a fully owned subsidiary of AB SKF.

AB SKF is committed to ensure that the companies within the SKF Group do not allow slavery or human trafficking. This commitment extends to the supply chains used by the SKF Group.

Overall approach to Human Rights

SKF has endorsed or subscribed to a number of internationally recognised principles, charters and guidelines which promote sustainable and ethical business practices including human rights.

- SKF adheres to the ILO Declaration on Fundamental Principles and Rights at Work. By doing so SKF commits to upholding basic human values established by the ILO.
- SKF endorses and works to apply the OECD Guidelines for Multinational Companies. By doing this SKF commits to conducting business in a responsible manner, consistent with applicable laws and internationally recognized standards.
- SKF participates in the UN Global Compact. By doing so SKF commits to the defined principles within the Global Compact and to communicating its progress via its Annual Report.

Approach to Human Rights in SKF's own operations

Within SKF's own operations, the manufacturing units represents the highest risk for human rights issues. SKF has since long established a global environmental, health and safety management system and a global certificate to OHSAS 18001. Furthermore, the manufacturing organisation has established a global coordination of Human Rights issues.

The SKF Code of Conduct defines certain standards of ethical behaviour which shall be adhered to by all employees within the SKF Group. The policy clearly sets out the requirements not to use forced labour, child labour, to avoid other labour and human rights abuses which would include slavery and human trafficking. The policy is available on skf.com.

SKF has a long-established program to assure compliance with the Code of Conduct. The program includes mandatory training for employees, regular risk assessments, regular risk-based auditing and the provision of an externally hosted reporting channel which employees can use for reporting ethical concerns.

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Supply Chain approach

SKF considers that the supply chain represents the most significant risk area for human rights related issues due to the lack of direct SKF management control, the large number of suppliers and the variation in legislation and enforcement in different regions.

SKF Code of Conduct for Suppliers and Sub-contractors mirrors the SKF Code of Conduct and is part of SKF's general terms and conditions of purchase. SKF communicates its ethical requirements in various ways including at supplier conferences, via the supplier web-portal, during supplier Code of Conduct audits and as a normal part of the supplier development process.

A Responsible Sourcing function has been established within SKF's global purchasing organisation with the aim to assure suppliers' Code of Conduct compliance. SKF conducts Code of Conduct audits at selected supplier sites. A risk-based approach (using externally and internally developed risk indexes) is used to identify which suppliers and sites should be audited.

Code of Conduct supplier audits are conducted by trained SKF or external auditors and include a strong focus on human rights. Clear business consequences are defined in case of deviations from the code, up to and including ceasing the business relationship.

Performance and Follow Up

SKF follows up on the performance related to both the Code of Conduct and the Code of Conduct for Suppliers and Subcontractors and reports progress externally via the annual report.

This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and sets out the steps that SKF has taken to ensure that slavery and human trafficking is not taking place in company operations or supply chains.

Luton, England 10th October 2018



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