

## **MODERN SLAVERY ACT STATEMENT**

This statement is made pursuant to section 54, Part 6 of the Modern Slavery Act 2015.

This statement is made and adopted by Dana UK Axle Limited, Dana UK Driveshaft Limited and Dana SAC UK Limited (together "**Dana UK**"), as Dana UK's modern slavery and human trafficking statement for the financial year ending 31 December 2018.

Dana UK has reviewed its last modern slavery and human trafficking statement and this statement sets out the steps Dana UK continues to take and, where appropriate, any new steps it has introduced during the last financial year to ensure that modern slavery and human trafficking is not taking place in our supply chains or in any part of our business.

## **INTRODUCTION**

Dana UK is committed to carrying out business responsibly, sustainably and ethically. This includes continuing to ensure that modern slavery and human trafficking is not taking place in any part of our business or supply chain. Our commitment includes:

- Improving practices to combat modern slavery and human trafficking,
- Doing business in an ethical manner and with respect for our people and the communities in which they live, and
- Respect for human rights issues, including combatting abuses of them, and taking those issues seriously, whether through human trafficking, modern slavery, child labour or otherwise.

## **OUR ORGANISATIONAL STRUCTURE**

This statement specifically applies to the following Dana UK entities:

- **Dana SAC UK Limited** (formerly known as Brevini UK Limited): with facilities in Warrington, Ireland and Scunthorpe and providing complete electro-mechanical and hydraulic solutions for machine drive systems.
- **Dana UK Axle Limited:** based in Birmingham, West Midlands, and producing axles primarily for light vehicle applications.
- **Dana UK Driveshaft Limited:** based in Wellingborough, Northamptonshire, and manufacturing Spicer® brand prop-shafts and drive-shafts and related components for use on commercial and off-highway vehicles.

Dana UK is part of a wider group of companies belonging to Dana Incorporated ("**Dana Inc.**"), which is a global Tier 1 automotive supplier to the world's leading car manufacturers.

Dana Inc. was founded in 1904 and is head-quartered in Maumee, Ohio, USA. Globally, Dana Inc. currently employs approximately 29,000 people worldwide in 34 countries on six continents.

In 2018, Dana Inc. generated global sales of \$8.14 billion.

Each of the Dana UK entities were incorporated and are registered in England and Wales. The directors and key personnel of Dana UK report to the Board and Executive Leadership of Dana Inc.

Dana UK receives regular support from many Dana Inc. business functions, including audit and compliance, design, finance, human resources, procurement, R&D and sales. For example, all design and testing work for Dana UK Axle Limited is carried out at Dana Inc.'s Centers of Excellence in the US, with design input, prototyping and design modifications being provided to Dana UK from Dana Inc. However, Dana Inc. does not itself either manufacture in the UK or supply/sell finished products in the UK.

These Dana Inc. global business functions set the strategic direction of the Dana group as a whole. Dana Inc. also develops and implements standardised global initiatives, policies and procedures throughout the Dana group. Dana also has regional initiatives, policies and procedures, including in the UK, to supplement and complement the global activities of Dana Inc.

## OUR BUSINESS

Dana Inc.'s global business is organised into 4 business units:

- **Light vehicle:** Production of complete drivetrain systems and components for passenger cars, CUVs, SUVs, vans and light trucks. Dana Inc. works collaboratively with original-equipment manufacturers and the aftermarket around the world to deliver axles, driveshafts and drivetrain systems with best-in-class efficiency.
- **Commercial vehicle:** Providers of drivetrain and tyre management systems, as well as genuine service parts for medium and heavy duty commercial vehicles. Dana Inc.'s cutting edge innovations increase fuel efficiency and decrease weight, while reducing maintenance and total cost of ownership.
- **Off-highway:** Delivers drivetrain systems and individual product solutions to customers in construction, agriculture, material handling, underground mining and forestry markets. Dana Inc. brings global expertise to the local level with technologies customised to individual requirements through a network of strategically located technical centres, manufacturing locations and distribution facilities.
- **Power technologies:** Delivers sealing solutions and long thermal management technologies to help reduce fuel consumption and emissions, while improving vehicle durability and performance. Dana Inc. anticipates industry trends to provide innovation, value and quality in every technology.

## OUR SUPPLY CHAINS

Dana UK purchases parts, assemblies, components, services, supplies and raw materials from a significant number of suppliers, split across a number of locations and countries. For example, Dana UK Axle Limited primarily obtains gears and other components (e.g. screws and widgets, etc.) from Israel and its sister companies in India and Mexico, for incorporation into its end product. It also uses a range of suppliers including professional services firms, in the UK.

Dana UK's supply chains include:

- Agency,
- Distribution,
- Procurement of goods & services,



- Outsourcing, and
- Subcontracting.

Dana UK does not have its own separate websites. All customers and suppliers of Dana UK utilise the Dana Inc. website [www.dana.com](http://www.dana.com). The Dana Inc. website includes an externally accessible supplier portal which can be reached via [www.supplier.dana.com](http://www.supplier.dana.com).

This Dana Inc. website allows our suppliers to register as a prospective supplier and access a wide variety of information about us and our supply chains. This specifically includes Dana Inc.'s expectations of its suppliers when doing business with Dana Inc. and any company of the Dana Group, as well as ethics and business conduct issues more generally. Dana Inc. expects all of its suppliers to familiarise themselves with and adhere to these expectations regarding business conduct.

"DANA1Source" is our internal network for managing existing suppliers and sourcing potential suppliers. It also serves as the direct communication line between Dana Inc. and suppliers.

## **OUR POLICIES ON MODERN SLAVERY AND HUMAN TRAFFICKING**

We are committed to carrying out business wherever it is undertaken in full compliance with local law. This includes assessing, preventing and mitigating the risk of modern slavery and human trafficking in our business and in any part of our supply chains.

In particular, Dana UK, through Dana Inc., has the benefit of the following policies and procedures:

- Global Suppliers' Business Conduct Guide, which highlights our ethical approach to our supply chain (compliance with Dana Inc.'s global Suppliers' Business Conduct Guide is a mandatory component of all Dana Inc.'s purchase contracts),
- Disclosure statement in line with the California Transparency in Supply Chains Act 2010,
- Anti-Slavery & Human Trafficking Policy (a policy covering Dana UK), and
- Conflict Minerals Policy.

In addition, Dana UK has a broad spectrum of policies and procedures relating to grievances, ethics, disciplinary issues and whistleblowing. We remain confident that these policies are sufficient to allow and encourage any employee, supplier or agency worker with relevant information about modern slavery or human trafficking issues to come forward without fear of retaliation or reprisal, and will allow us to take any necessary corrective action immediately.

We have once again, reviewed our existing workplace policies and procedures in the UK as part of our compliance obligations of producing these annual statements.

All of these workplace policies and procedures demonstrate Dana UK's commitment to acting ethically and with integrity in all our business relationships and to implement and enforce effective systems and controls to ensure modern slavery and human trafficking is not taking place anywhere in our business or supply chains.

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

As part of Dana UK's initiative to identify and mitigate risk, we ensure that, wherever judged appropriate, new suppliers are visited on site, and are re-audited on or around every three years to ensure adherence to Dana Inc.'s strict standards of ethically transparent supply chains.

Further, all suppliers must comply with our Suppliers' Business Conduct Guide. This is a mandatory component of all Dana Inc.'s purchase contracts and/or our contractor control procedures, whereby any contractor must provide evidence of their insurance and any appropriate risk assessments before permission to access site is granted.

Dana UK, via Dana Inc., also has in place systems to:

- Identify and assess potential risk areas in our supply chains to include country, business transaction and product/raw materials risk,
- Mitigate the risk of modern slavery and human trafficking occurring in our supply chains,
- Monitor potential risk areas in our supply chains, and
- Protect whistle-blowers.

The nature and extent of the information requested of our suppliers will be proportionate to the perceived risk, having regard to factors including the volume, frequency and value of the goods and/or services to be supplied, any unusual time or cost pressures to be imposed by us, the nature of the goods or services and their geographical origin, the supplier's market reputation and the history of Dana UK's prior dealings with them, if any, etc.

Dana UK uses this information to assess the extent of any risk of modern slavery, child labour or human trafficking in our suppliers' supply chain. As matters stand as at the date of this statement, these processes have not given Dana UK any reason to suspect the existences of child labour, modern slavery or human trafficking issues in our supply chain.

Compliance with these terms and the absence of any grounds for suspicion of such issues are fundamental pre-conditions for any supplier's proposals being taken forward through Dana UK's and/or Dana Inc.'s procurement processes.

## **SUPPLIER ADHERANCE TO OUR VALUES AND ETHICS**

To ensure that all suppliers in our supply chain and contractors comply with our values and ethics, Dana UK and Dana Inc. have dedicated compliance teams, which consist of representatives from the following departments:

- Audit & compliance,
- Finance,
- Human Resources,
- Legal
- Procurement, and
- Sales.



Our website and supplier review processes assist us in ensuring that our suppliers understand and abide by our expectations, policies and procedures from the outset, which includes in respect of modern slavery and human trafficking issues.

Where appropriate, Dana UK also expects suppliers to work with us to address areas where there is perceived to be an unusually high risk of modern slavery or human trafficking, and to take steps to implement remedial action where such issues have actually been identified in their businesses or supply chains. This is on the understanding always that if we cannot satisfy ourselves that reasonable steps to address those risks or specific instances of modern slavery or human trafficking have been taken, it may be necessary for Dana UK to sever (or not enter into or renew) any contract with that supplier.

Further, Dana UK expects our suppliers to continually engage with us constructively and responsibly, and to demonstrate their willingness and ongoing commitment to remedy modern slavery and human trafficking risks in a timely way.

### **OUR EFFECTIVENESS IN COMBATting MODERN SLAVERY AND HUMAN TRAFFICKING**

Dana UK continues to use the following key performance indicators to measure how effective we have been in ensuring that modern slavery and human trafficking is not taking place in any part of our business or supply chains:

- Business function reports,
- Internal staff training and onboarding processes,
- New supplier visits, and
- Dana UK's suppliers are obliged to audit their own supply chains and report on the findings to Dana UK.

### **OUR TRAINING**

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and within our business, Dana UK continues to provide training and information to our employees, where appropriate. This forms part of the onboarding process for all new employees to ensure they are aware of Dana UK's stance on preventing modern slavery and human trafficking within our business and our supply chains, and particularly for those employees involved in and at the forefront of the supply chain process and risk e.g. procurement, sales, etc. Such training on these and other ethics and compliance issues is also provided from time to time to our human resources, purchasing and senior management teams, both from a business and supply chain perspective.

Dana UK will continue to evaluate our policies, procedures and practices with respect to modern slavery and human trafficking risks within our business and our supply chains. If our experience or perception of the extent of the present internal or external risks changes, then we will revisit our existing practices. We will review and update this statement to reflect any issues and/or changes made to our policies and procedures in our next annual disclosure.

### **SECTION 54 STATEMENT**

This statement has been duly approved by the boards of directors of Dana UK pursuant to written resolutions passed on or before 26<sup>th</sup> March 2019. This statement is issued on their behalf and

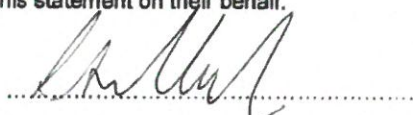
with their consent. The boards of directors of Dana UK have accordingly delegated authority to the respective signatories, immediately below to sign this statement on their behalf.

  
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**JOHN COPPAGE**

**DIRECTOR**

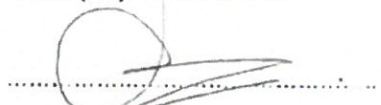
**DANA (UK) AXLE LIMITED**

  
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**RUSS MARSH**

**DIRECTOR**

**DANA SAC UK LIMITED**

  
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**PAUL BURMAN**

**DIRECTOR**

**DANA (UK) DRIVESHAFT LIMITED**

**Dated: 26<sup>th</sup> March 2019**