Slavery and Human Trafficking Statement for the Financial Year 2016

This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and sets out the steps Knorr-Bremse has taken to ensure that slavery and human trafficking is not taking place in our supply chain or in any part of our business.

The Knorr-Bremse Group

The Knorr-Bremse Group is the world’s leading manufacturer of braking systems for rail and commercial vehicles. For more than 110 years the company has pioneered the development, production, marketing and servicing of state-of-the-art braking systems. The Group operates in two corporate divisions for Rail Vehicle Systems and Commercial Vehicle Systems as well as various regional companies. In the rail vehicle systems sector, the product portfolio also includes intelligent entrance systems, HVAC systems, power conversion systems, control components, and windscreen wiper systems, as well as platform screen doors, friction material, driver assistance systems, and control technology. Knorr-Bremse also offers driving simulators and e-learning systems for optimum crew training as well as aftermarket services for maintenance overhaul and repair of braking and onboard systems in the rail sector. In the commercial vehicle systems sector, the product range includes complete braking systems with driver assistance systems, as well as torsional vibration dampers, powertrain-related solutions and transmission control systems for enhanced energy efficiency and fuel economy.

Our Commitment

Integrity and responsible behavior in our dealings with business partners and our employees are fundamental values for us. Knorr-Bremse is committed to comply with all relevant legislation and regulations and is categorically opposed to all forms of forced or compulsory labor as well as human trafficking. Our group-wide Code of Conduct contains principles and rules aimed to ensure that our business processes comply with the law. The standards set out in the Code of Conduct determine how Knorr-Bremse manages its relations with customers, suppliers and business partners. Knorr-Bremse has also defined a specific supplier code of conduct aiming to ensure that good business conduct as well as the respect for and the protection of human rights is integrated as part of our supplier relationships. Knorr-Bremse has also endorsed the Code of Conduct of the German Railway Industry Association, which also clearly states to abolish all forms of compulsory labor.
Our Processes

Knorr-Brems is a 1st-tier B2B supplier for the automotive as well as the railway industry. We operate a diverse supply chain in two industries using a wide range of goods with a number of supplier levels between our products and the source of raw materials that enter the manufacturing process. Knorr-Brems is concerned to ensure that its commitment to responsible conduct is also applied throughout our supply chain. Our Code of Conduct clearly states that we will not tolerate forced labor or child labor in our operations and supply chain. It provides guidance on how to deal with employees, colleagues, customers, business partners and the social environment in which we operate. We have also integrated sustainability aspects into our procurement structures by adding sustainability requirements in the quality management guidelines for procurement. These form part of the contractual agreement with our suppliers and cover the ten principles of the UN Global Compact including the commitment to eliminate all forms of forced and compulsory labor. Should a supplier fail to comply with these standards, Knorr-Brems reserves the right to review the relationship with the supplier for future transactions and enquiries and, where necessary, to terminate it.

To ensure our guidelines are widely accepted by our suppliers, we regularly monitor the signature rate of our supplier contracts in which our expectations concerning forced labor are implemented. Additionally, we have augmented relevant supplier evaluation questionnaires with a series of questions relating to the ten UN Global Compact principles to enable us to verify the extent to which our suppliers are implementing these ten principles and, if necessary, make recommendations and propose measures to support improvement and implementation. We also conduct internal audits at our manufacturing locations to ensure compliance with our internal guidelines. Finally, Knorr-Brems is part of the "Railponsible" initiative, which aims to encourage railway industry suppliers around the world to commit to ethical and social behavior as well as responsible business practices. Part of this initiative also includes an assessment of suppliers on a wide range of sustainability criteria. These include their efforts to tackle forced labor and human trafficking. The rating of these assessments will be incorporated in the supplier evaluation and selection process.

Staff Training

In the course of our roll-out of our new supplier code of conduct, staff training incorporating ethical and human rights issues is planned to be conducted beginning from 2017.

Stefan Bräuherr
Head of Corporate Responsibility,
Knorr-Brems AG, December 2016

Rasso Böck
Chief Compliance Officer,
Knorr-Brems AG, December 2016