Meritor Heavy Vehicle Braking Systems UK Limited

Structure and Supply Chains

Meritor Heavy Vehicle Braking Systems UK Limited ("HVBS") is part of the Meritor Inc ("Meritor") group which was acquired by Cummins Inc ("Cummins") in August 2022. HVBS is the principal trading entity for Meritor in the UK. Its principal activity is that of the design, manufacture, and supply of disk brake products. The majority of the company's products are exported to Europe and beyond. The company's average headcount has remained relatively consistent at approximately 440.

The company invests heavily in maintaining strong customer and supplier relationships, but the directors also recognise the need to ensure the company conducts its business to the highest standards and meets all regulatory and legal requirements. The directors have established appropriate legal, finance and operational teams to ensure that such standards are met.

Policies on Modern Slavery

In September 2012, Meritor launched its Human Trafficking and Slavery Policy which applies to all Meritor entities, including Meritor Heavy Vehicle Braking Systems UK Limited. This policy establishes guidelines and procedures for assuring compliance with those laws of the United States and other non-US jurisdictions which prohibit human trafficking and slavery and/or knowingly benefiting from any such activity.

Meritor has adopted a formal policy requiring that all of its employees and suppliers be made aware of, and comply with, laws against human trafficking and slavery, that its employees report any violation of these laws to management and that any violation of this policy may result in appropriate disciplinary action up to and including termination. As part of this policy, the company's buyers are required to be trained to comply with laws against human trafficking and slavery, including the steps to be taken to ensure that the company's suppliers are aware of, and agree to comply with, this policy.

Meritor requires all of its production suppliers to certify their compliance with all applicable local laws against human trafficking and slavery, will require a similar certification by all of its new suppliers and will periodically update its supplier certifications. In addition, it will audit any supplier which it has reason to believe may be engaged in any activity that would violate applicable laws against human trafficking and slavery to ensure compliance with these laws.

Following its acquisition by Cummins, Meritor is in the process of aligning its policies to that of Cummins.

Due Diligence Processes and Risk Assessment

Due to the nature of Meritor's business, we have a negligible risk of human-rights violations, however, Meritor has initiated processes that identify and combat risks within our supply chain and has taken steps to assess and mitigate human-rights risks within our supply chain with a focus on suppliers we engage in our UK business.

Meritor expects all production suppliers to comply with EU terms and conditions, stating products supplied must be "in compliance with all applicable laws, regulations and standards". In addition,

Meritor has anti-human trafficking and slavery certifications on file for all HVBS production suppliers in a centralized, global system.

Measuring Effectiveness

Meritor measures its effectiveness by confirming that all production suppliers certify compliance with the EU terms and conditions, which state products supplied must be “in compliance with all applicable laws, regulations and standards”.

Meritor will audit any supplier which it has reason to believe may be engaged in any activity that would violate applicable laws against human trafficking and slavery to ensure compliance with these laws.

Training for staff

Meritor provides classroom and online training on its Code of Business Conduct to all global employees. In addition, Meritor provides specific training to supply chain employees as part of their onboarding activities.

As part of the wider Cummins group, Meritor employees are also now able to access training provided by Cummins including an online training course “Human Rights Training”.

This statement is (i) made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our company’s slavery and human trafficking statement for the fiscal year ending 31st December 2022 and (ii) approved and signed by the directors of Meritor Heavy Vehicle Braking Systems UK Limited on 30 June 2023.