

**CLAAS UK Limited and UK Group Companies
(including CLAAS Manns Ltd, CLAAS Eastern Ltd, CLAAS Southern Ltd &
CLAAS Western Ltd)**

Statement on Transparency in Supply Chains – Y/E September 2018

Background

Introduced on 29th October 2015, The Modern Slavery Act requires businesses which supply goods or services in the UK, and have an annual turnover exceeding £36m, to disclose information regarding their policies and practices that are in place to eradicate slavery from their direct activities and their supply chain. Businesses that exceed this turnover threshold must produce a statement each financial year outlining such policies.

Whilst slavery may not seem like a current issue, forced labour and human trafficking are still great issues in modern society with organisations treating their workforce as commodities. The ILO (International Labour Organisation) estimates that there are 21 million people in forced labour around the world. The UK government has introduced the “Transparency in Supply Chains” provision to encourage businesses with significant resources and purchasing power to influence global supply chains. The idea is not for businesses to do more because they are legally obliged to; the government wants to encourage businesses to do more because they recognise that it is morally right. They believe that this will increase competition to achieve best practice by requiring businesses to create such a statement. This will demonstrate the procedures that have already been adopted in a business and help to highlight any areas which could be improved.

The government is keen for businesses to become more aware of the activities taking place within their own supply chain. They are aiming for greater transparency within the supply chain of businesses as they are fully aware that it has become more difficult and complex to keep track of events taking place outside of the organisation. However, the UK government does not see this as an excuse and feel that it is not acceptable for any organisation to simply say that they did not know such events were taking place. Increasing an organisation’s accountability in this area will mean workers are more protected and consumers’ confidence will grow in the goods and services that they are purchasing.

CLAAS UK policies

CLAAS UK Ltd. and all its subsidiaries take its commitments under the Modern Slavery Act very seriously and is committed to providing good working conditions for its employees, according to universal international standards, and to protecting their safety and health.

CLAAS UK Ltd. recognises that modern slavery as an issue has become increasingly visible, particularly in the UK, and takes seriously its moral and legal duties in this regard. CLAAS UK Ltd. has put in place measures to prevent, detect and manage incidences of modern slavery.



At CLAAS UK Ltd, we have introduced a number of steps to ensure that we are aware of any potential issues both within our business and within our supply chain. Within our own business, our directors and management teams have been briefed on the subject and we provide training to relevant members of staff. Further to this, we display transparent and fair behaviour to our staff, protecting their human rights; we comply with legislation relating to fundamental rights at work. We are also in regular contact with our suppliers within the Group.

CLAAS UK's Labour and Human Resources Standards for Suppliers

As CLAAS sets a high bar for itself regarding labour and employment, it expects the same from its suppliers. We are therefore expecting that our suppliers are acting in-line with our labour and employment principles:

Labour Laws: Suppliers are expected to comply with all local country labour and human resource laws and regulations, including those related to wages, hours worked, working conditions and child labour.

Labour and Human Resource Practices: Suppliers are expected to adopt sound labour and human resource practices and treat their workers fairly, specifically:

Employment Practices: Suppliers must hire and employ workers in compliance with applicable laws. Wages, benefits, and working hours are expected to be fair and reasonable in the local labour market.

Child Labour: Suppliers must comply with the applicable local laws with regard to the minimum hiring age for employees. If no such law exists or if the existing law permits the hiring of child labour younger than 18 years of age, the supplier may not employ child labour under 16 years of age to work on CLAAS projects.

Forced Labour: CLAAS expects suppliers to not use labour that is a result of mental or physical coercion, physical punishment, slavery or other oppressive labour conditions. Suppliers and their employees cannot engage in any form of human trafficking.

During the period 1st October 2017 to 30th September 2018 we have not been aware of any instances of modern slavery in our business or supply chains.

As part of our ongoing commitment, we will continuously review our approach to modern slavery.

CLAAS UK takes the view that the challenge of combatting modern slavery and human trafficking is an ongoing one, but one we are committed to.



TREVOR TYRRELL
Chief Executive Officer



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Chief Financial Officer

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