



## **Timken's Disclosure under the California Transparency in Supply Chains Act of 2010**

January 20, 2012

The California Transparency in Supply Chains Act of 2010 requires retailers and manufacturers doing business in California to disclose their efforts to eradicate forced labor and human trafficking from their direct supply chain. The following is the disclosure under the Act for The Timken Company and its subsidiaries.

### **1. Risk Assessment/Verification**

The Company conducts a risk assessment audit as part of its due diligence when choosing potential suppliers. Many factors are considered as part of the process, including risks of human trafficking and slavery. The Company does not employ a third party to conduct the risk assessment.

### **2. Auditing**

The Company does not believe the risk of forced labor or human trafficking in its supply chain is significant and, accordingly, does not audit its suppliers for compliance. If circumstances change, the Company would consider such an audit.

### **3. Certification**

The Company's Supplier Code of Conduct is widely distributed to its supply base around the world and addresses the subject of labor abuse. Although certification of compliance to the Supplier Code is not required, the failure of suppliers to adhere to the Code would result in the termination of their relationship with the Company.

4. **Internal Accountability**

The Company requires all salaried employees, including those involved in the supply chain, to sign and adhere to the Company's Standards of Business Ethics. The Standards make clear that any violations of the Company policy can result in disciplinary action, up to and including discharge.

5. **Procurement Training**

The Company provides periodic training to its employees responsible for procurement on a number of topics, including forced labor. Future training will include human trafficking and slavery issues and the mitigation of such risks in its supply chains.