

# Moving Our World Forward



# The Timken Company

2018 CORPORATE SOCIAL RESPONSIBILITY REPORT

## Dear Stakeholders,

At The Timken Company, we're committed to positively moving our world forward, for good – through our products, services and actions. We conduct our business with ethics and integrity while embracing a strong spirit of social responsibility – from our headquarters in Ohio to our sales offices and factory floors around the world. With this corporate social responsibility (CSR) report, we share with you where we stand on our many efforts to be an outstanding corporate citizen today and provide a benchmark for measuring our progress in the future.

Worldwide, more than 18,000 Timken associates put our CSR commitment into action every day. Together we foster an inclusive work environment where diverse backgrounds and viewpoints contribute to challenging work that matters. It's what has made Timken a global industrial leader in engineered bearings and power transmission products – key ingredients in keeping the world in motion.

We work closely with many industries on solutions designed to protect our planet. From custom drives that make solar panels more efficient and reliable to durable bearings that extend the lives of wind turbines, our products are helping to reduce fossil fuel usage and emissions around the globe. We also make miniature precision

bearings for instruments on satellites that help monitor the health of our oceans from space.

It's not just what we make, it's how we make it. We're committed to operating safely and responsibly at all our locations – our 2018 Lost Time Accident rate was the second-lowest in our 120-year history. We've also invested in environmental protection equipment and advanced plant operational practices worldwide.

This report represents who we are and how we do business. We invest in our communities, we care for the environment, we treat people with respect, and we take great pride in doing things the right way.

On behalf of company leadership and the Board of Directors, I thank our associates for their ongoing commitment to our shared values and our stakeholders for their continued confidence in our company.

Sincerely,



Richard G. Kyle  
President and Chief Executive Officer



**"This report represents who we are and how we do business. We invest in our communities, we care for the environment, we treat people with respect, and we take great pride in doing things the right way."**



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# Timken: Moving Our World Forward, For Good



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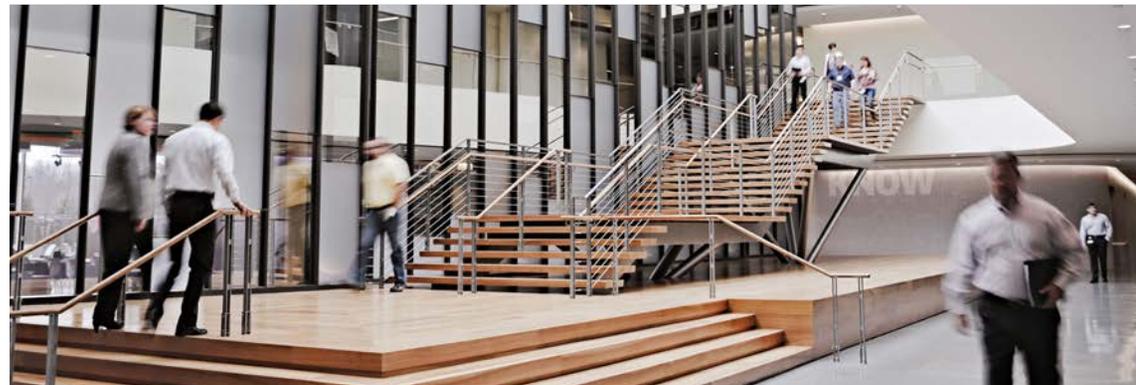


## The Timken Company designs a growing portfolio of engineered bearings and power transmission products found inside many applications that move our world forward.

Timken has been recognized as one of the world's most ethical companies nine times, including this year.

With more than a century of knowledge and innovation, we continuously improve the reliability and efficiency of global machinery and equipment while staying true to our core values and doing right by our associates, customers, investors and other stakeholders. In 2019, we received our ninth recognition as one of the world's most ethical companies.

Our company is publicly traded on the New York Stock Exchange (NYSE: TKR). With more than 18,000\* associates worldwide, we keep the world in motion by operating safely and responsibly all around the globe and contributing to sustainability through the products we design, develop and deliver. In 2018, our company generated \$3.6 billion in sales.



### ETHICS AND INTEGRITY

We do what is right under all circumstances everywhere we conduct business.

### QUALITY

We consistently produce and deliver what we promise.

### TEAMWORK

Together, we collaborate to create value for our stakeholders.

### EXCELLENCE

We innovate with passion and operate with a focus on continuous improvement.

\* For purposes of this report scope, we have excluded associates that joined the company in 2018 as a result of acquisitions, making the reported scope total 15,484 associates. See Page 38 for more information on the scope of this report.

### Our Diverse End Markets

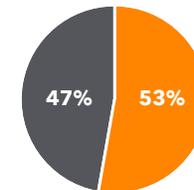
Timken serves a diverse mix of end markets that move the world forward. Our business is organized into two segments:

**Mobile Industries** serves original equipment manufacturers who produce off-highway equipment for the agricultural, mining and construction markets; on-highway vehicles including passenger cars, light trucks, and medium- and heavy-duty trucks; rail cars and locomotives; outdoor power equipment; rotorcraft and fixed-wing aircraft; and other mobile equipment.

**Process Industries** serves original equipment manufacturers in industries that place heavy demands on the fixed operating equipment they make or use in heavy and other general industrial sectors. This includes metals, cement and aggregate production; power generation and renewable energy sources; oil and gas extraction and refining; pulp and paper and food processing; automation and robotics; and health and critical motion control equipment. Other applications include marine equipment, gear drives, cranes, hoists and conveyors.

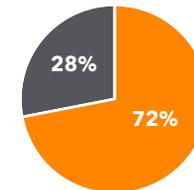
Both of our business segments support aftermarket sales, services and end users as well.

We continue to be a mainstay in the industrial and transportation sectors, but we're also expanding our presence in areas such as wind and solar energy. In fact, we have become a preferred bearing development provider for the world's largest wind turbines because of our innovative solutions and technical expertise.



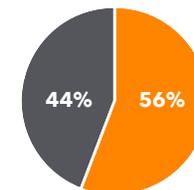
#### Business Segment Sales\*

- Mobile Industries
- Process Industries



#### Product Offering Sales\*

- Engineered Bearings
- Power Transmission Products



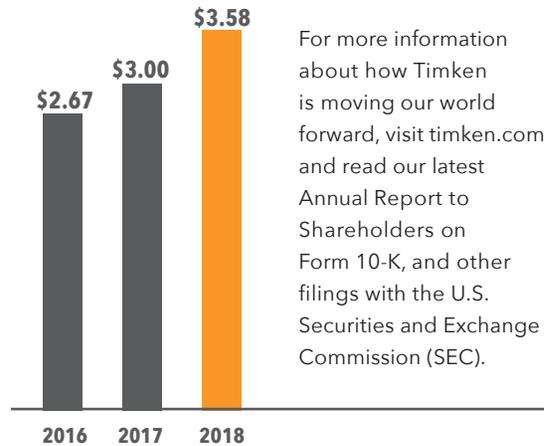
#### Channel Overview\*

- Original Equipment Manufacturers (OEM)
- Distribution/End Users

\* As of December 31, 2018

## Financial Performance\*

Revenue in Billions



For more information about how Timken is moving our world forward, visit [timken.com](http://timken.com) and read our latest Annual Report to Shareholders on Form 10-K, and other filings with the U.S. Securities and Exchange Commission (SEC).

Markets We Serve* as percentages of our business	Industrial/Other	22%
	Automotive	13%
	Heavy Truck	9%
	Agriculture/Turf	8%
	Rail	8%
	Aerospace	7%
	Mining	6%
	Construction	6%
	Metals	5%
	Renewable Energy	5%
	Fossil Fuel	4%
	Marine	3%
	Cement/Aggregate	2%
	Pulp/Paper	2%

\*As of December 31, 2018

## Engineered Bearings and Power Transmission: Our Flagship Brands

TIMKEN®

ROLLON®

PHILADELPHIA GEAR®

DIAMOND®

Cone Drive

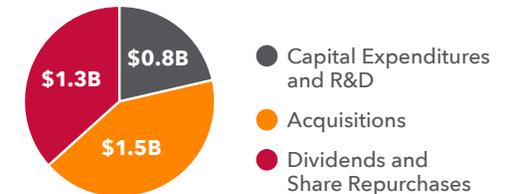
DRIVES®

GROENEVELD

Lovejoy

## Creating Shareholder Value

Over the past five years, we have maintained a strong balance sheet while investing \$0.8 billion in capital expenditures and research and development, spending \$1.5 billion on acquisitions and returning \$1.3 billion to our shareholders through dividends and share repurchases.



## Our Global Presence

While more than half of our sales are in North America, demand for Timken products continues to grow around the globe. We operate in 35 countries to meet our customers' needs where they live and work. We also serve millions of global end users through our collaboration with nearly 1,000 authorized Timken distributors. In 2018, we expanded our distribution network across Africa, China, India and Latin America.



**Sales by Geography\***

- 54% North America
- 21% Europe, Middle East, Africa
- 18% Asia Pacific
- 7% Latin America

# Shared Values and Growth: Advancing Our World



Every day, our associates live our core values of ethics and integrity, quality, teamwork and excellence as we strive for a diverse and inclusive workplace that prioritizes health, safety, and associate engagement and satisfaction.

### Protecting the Health and Safety of Our Associates

Timken has an exemplary health and safety record resulting from the systems, policies and training we have in place and the commitment of our associates worldwide. In 2018, we achieved the second-lowest Lost Time Accident (LTA) rate in our 120-year history; nearly 75% of our facilities experienced zero LTAs. LTA is a measure of injury severity referring to incidents that require time off work.

Since 2009, we've reduced our LTAs by more than half and our OSHA Recordable Rate by 18%.

These figures include both associates and temporary workers. We strive for zero accidents and injuries, and we understand that we must remain focused on reducing risks, improving safe behaviors and strengthening our health and safety management systems. We consistently place within the top quartile for lowest injury rates in the U.S. metal manufacturing industry.

Our plant managers are required to report all significant incidents and LTAs to our CEO, and all associates are instructed to report safety concerns to the leadership team or by calling the Timken HelpLine.



## Global EHS Policy

Our excellent health and safety performance starts with our Global Environmental, Health and Safety (EHS) Policy\*, with which every associate must comply. At a high level, the policy calls on associates to:

- Comply with all EHS laws, regulations, company policies and standards
- Make EHS a priority in our business, always conducting activities safely and responsibly
- Assess and control risks and potential hazards that can impact our EHS performance
- Support environmental sustainability
- Contribute to EHS objectives

Anyone working for or on behalf of Timken (including associates, temporary employees and, as applicable, contractors and suppliers) must be made aware of the Global EHS Policy, as well as EHS risks and considerations relevant to their occupation and the location where they will be working. All compliance training is completed according to national, regional, state and local regulations. We also have an extensive suite of function-specific EHS training requirements.

\* This section focuses primarily on occupational health and safety. Our Global EHS Policy, management systems and related topics also cover environmental activities. See Page 18 for more information on our environmental efforts.

## EHS Leadership Council

Oversight for each element of EHS lies with our EHS Leadership Council, which includes the vice president of EHS, corporate EHS managers, the vice president of manufacturing and directors from each business unit. The EHS Leadership Council establishes business-level strategy, which is cascaded down to the plants. Plant managers set measurable goals and targets for facility-level implementation, which are shared with the manufacturing directors and EHS Leadership Council for approval. This ensures that associates throughout the organization are engaged and contributing to Timken's EHS program.

## EHS Management Systems

All of our manufacturing facilities must implement an effective EHS management system in accordance with our corporate EHS standards and procedures, which are regularly reviewed and updated to conform with ISO Standards 45001 (occupational health and safety) and 14001 (environmental management). All plant associates and temporary workers are covered by our EHS management systems.

Facility-level management systems consider regulatory requirements, customer specifications, facility performance, hazards and risks, and integration of new acquisitions.

Two critical components of these systems are internal, targeted assessments and audits, which are conducted by Corporate EHS. Audits must be completed by qualified associates using audit protocols approved by Corporate EHS unless otherwise approved by a third-party ISO 14001/45001 registrar. Third-party certification must be obtained when required by customers or regulatory agencies, or if approved by Corporate EHS. The frequency of these assessments or audits is based on:

- Date of last audit or date facility was acquired
- Results of most recent audit or regulatory inspection
- Three-year performance history, including any incidents and compliance issues
- Potential hazards and risks unique to that facility
- Third-party visits, requirements or inquiries

The type and scope of audits are defined during the annual business planning process and modified as necessary throughout the year with approval from the vice president of EHS. Corrective and preventive actions from audits and assessments must be tracked to completion.

In 2018, we made key strides in further refining our EHS management systems:

- System audits at 13 plants
- On-site visits to complete industrial hygiene monitoring, ergonomic assessments, OSHA compliance activities and more
- Improved self-auditing of critical safety programs at all manufacturing facilities
- Reduced risks in critical areas: pedestrian safety, roof-fall protection systems, hot work procedures, no-touch guarding improvements on grinding machines and improved heat treat fire controls



## Putting EHS into Action

All levels of management are expected to provide leadership for delivering on our EHS objectives and enforcing adherence to our global standards. Nowhere is this more important than at the plant level.

Plant managers are responsible for:

- Making EHS performance a top priority
- Ensuring compliance with EHS laws, regulations, company policies and standards
- Establishing and committing resources to annual EHS goals and including these in business planning sessions
- Communicating site-specific EHS goals, incidents and accomplishments
- Holding site leadership accountable for EHS performance
- Engaging in the selection and development of plant EHS coordinators
- Supporting initiatives to educate and engage associates in EHS
- Reviewing and assessing EHS performance and completing quarterly scorecards
- Participating in and reviewing incident investigations, root-cause analysis and corrective/preventive actions
- Ensuring contractors comply with Timken's EHS expectations

## Safety is Everyone's Job

Timken associates influence safety directly through interactions with plant leadership or through joint management-worker safety committees. Workers' union representatives, where they exist, are typically included as well.

We also actively engage associates as safety observers through our Precaution Based Safety (PBS) program. In 2018, more than 40,000 associate observations were completed by PBS teams, with more than 9,000 opportunities identified to coach associates on safe behaviors.

## Emergency Action Planning

All Timken facilities must have an Emergency Action Plan (EAP) in place to cover response activities and evacuations for fire, medical emergency, severe weather and hazardous chemical releases. Facilities are required to conduct drills of their EAP annually.

# 52%

Serious injuries are down 52% since 2009.

# 0

75% of our facilities had zero Lost Time Accidents in 2018.



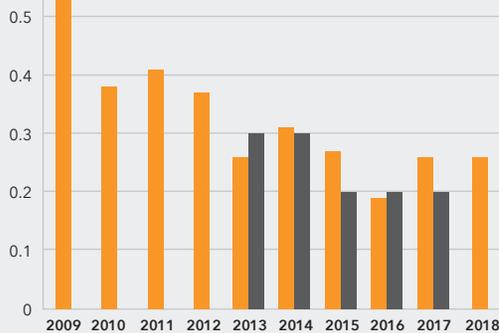
## Ergo Cup Challenge

When it comes to improving worker health and safety, we know that the best ideas often come from the people working on the plant floor. That's why we host the Timken Ergo Cup challenge, which encourages plant associates to design, implement and share innovative ergonomic solutions across the company. In 2018, 62 projects were entered into competition, with a focus on:

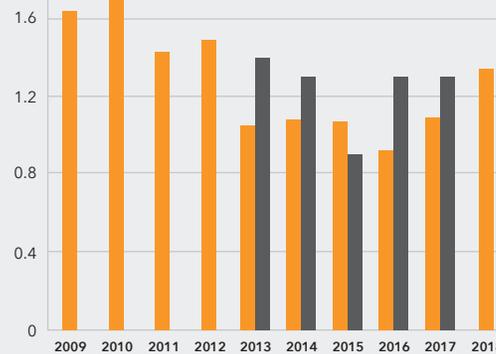
- Innovation
- Simplicity
- Cost savings
- Ergonomic risk reduction
- Presentation quality

Injury Rates as Calculated Based on OSHA Guidelines

Lost Time Accidents



Recordable Rate



● Timken ● Top Quartile U.S. Metal Manufacturing

## Supporting Health On and Off the Job

Timken takes great care to protect the health of both associates and temporary employees at work. Around the world, all of our manufacturing plants have a designated occupational health clinic to handle on-the-job injuries and designated first responders on-site. Many of our larger facilities feature nurses on-site. We also take preventative measures by requiring pre-employment medical screenings to be performed for all associates, and we have provisions for addressing health concerns when they arise for existing associates.

We also take the medical privacy of associates and temporary employees very seriously. Medical records are maintained by medical personnel and medical information is sent to the Corporate Medical team and only shared with Human Resources on a need-to-know basis. Our Associate Medical Information Confidentiality Policy and Medical Procedure Manual provide further protections.

Of course, supporting the health of our associates doesn't begin and end when they walk through our doors. Timken encourages associate health at home by providing monthly health education sessions on topics ranging from healthy eating habits to mental health.

We also offer biometric screenings and access to dietitians and registered nurses at no cost at our world headquarters. Associates will soon have access to our new fully equipped Better Health Fitness Center in 2019.

Associates and qualifying spouses on Timken medical insurance plans earn an annual insurance discount for taking a biometric screening and meeting other simple criteria. Similarly, Timken associates who smoke face a monthly surcharge on our medical insurance plans, which is waived if they quit or join a company-sponsored cessation plan. Smoking, vaping and the use of tobacco or nicotine products are prohibited in all company facilities unless approved for smoking cessation.

Local wellness programs are offered at Timken locations around the world.

## Offering Competitive Benefits

We conduct market studies around the world to ensure associates receive competitive, world-class benefits relative to the markets they work in to provide for themselves and their families. Benefits vary to best suit each local market, but generally, full-time associates\* at significant locations of operations receive:

### Company Sponsored Medical

We provide different medical plans to help best fit the needs of each associate.

### Supplemental Benefits

We offer supplemental benefits, such as additional life insurance and disability plans, to help ensure associates are covered for unforeseen situations.

### Parental Leave

We are proud to offer both paid maternity and paternity leave to our associates in the United States.

We are also committed to providing equal pay for equal work. Globally, our associates are paid according to their abilities, responsibilities, qualifications and experience rather than their gender. And while Timken operates in multiple locales and jurisdictions that have varying minimum-wage requirements, associates' starting salaries are typically well above applicable minimum-wage requirements.

\* Less than 5% of our associates are considered part-time. Part-time associates do not receive the same level of benefits as full-time associates.

Some associates, in key roles, are also rewarded with stock ownership as part of our long-term incentive plan.

We've also established the Timken Scholarship Program to provide support to employees' children who plan to continue education at a four-year college or university. See Page 29 for more information on this program.

### Developing Our Associates

At Timken, we know that our people are our most valuable resources, and the success of our business depends on attracting and retaining the best people. In addition to offering competitive benefits, we provide numerous professional development and training opportunities for associates to advance their skills. All salaried associates also receive annual performance reviews to guide their career paths and provide important feedback for personal growth.

### Continued Learning

Timken University is an online platform that provides our associates with access to instructor-led learning activities, as well as a broad range of on-demand courses and other learning opportunities. We actively maintain a schedule with instructor-led, in-person and live webcast training sessions on the platform. These courses run the gamut from training on the wide variety of products offered by Timken to programs on

team building, emotional intelligence, strategic thinking, ethics and compliance, and much more. We also offer position-specific training ranging from 20-week to two-year programs, including:

#### Managing for Success Program

This cohort-based program for new managers is facilitated by Harvard Business Publishing. Managers develop new skill sets and a leadership mindset to advance their teams and support personal growth.

#### Associate Application Engineer

This accredited six-month program exposes associate application engineers to all aspects of Timken's bearings and power transmission businesses.

#### Associate Sales Engineering Development Program

Associates learn value-selling techniques and on-the-job training helps them understand the right way to interact with customers to solve their problems.

#### Associate Service Engineer

Associates learn how to inspect our products, troubleshoot issues, work with repair services and become the trusted adviser for customers who count on Timken.



### Manufacturing Academy

We provide a two-week in-depth training in manufacturing leadership each year. Participants engage in business simulations and manufacturing-related classes dealing with business economics, customer satisfaction and culture building. The academy provides prospective Timken leaders with an opportunity to run a manufacturing plant and the skills and mindset to make it succeed.

### Operations Development Program

This program prepares associates for a leadership role in manufacturing and supply chain operations through a series of four, six-month assignments in Lean, Manufacturing Operations Supervision, Quality Advancement and Supply Chain.

## Embracing Diversity and Inclusion

We strive to create an environment that is reflective of our customers and communities worldwide. Diverse backgrounds and points of view drive innovation, continuous improvement in our operations and associate engagement and satisfaction.

Timken's commitment to diversity and inclusion is evident in the composition of our Board of Directors and the mission of our Diversity and Inclusion Advisory Council.

We value and respect our associates, treating everyone equally according to their individual qualifications, abilities, experiences and other employment standards. Across our operations we actively seek people of different ethnic and geographic backgrounds to build a stronger, more diverse workforce. We also seek to hire

from the local community and all the individuals who hold the most senior positions in each country are from the regions in which they work.

## Associate Resource Groups

To further our goal of inclusiveness, Timken associate resource groups (ARGs) around the world help us understand and address the challenges facing our diverse workforce and leverage the opportunities that diversity offers. New associates are invited to meet executives and directors at ARG events where together they share their personal stories and experiences.

Through "Lunch and Learn" meetings, "Day in the Life" presentations and other inclusive events, our ARGs foster diversity of thought and forge deep connections among associates. Since 2009, our associates have driven the expansion of regional chapters across our three primary ARGs:

## Women's International Network (WIN): Ensuring women have opportunities to reach their full potential.

With six chapters globally, WIN promotes the advancement of women at Timken, but is open to all members regardless of gender or gender identity. WIN focuses on leadership topics and provides guidance to managers and supervisors who want to engage women in more strategic roles and responsibilities.

## Multicultural Association of Professionals (MAP): Promoting multicultural awareness, understanding and integration.

MAP provides a forum that helps diverse associates share ideas and work together more effectively. Associates around the world can view recorded sessions any time, any place.

## Young Professionals Network (YPN): Helping young talent develop personally and professionally.

Emerging leaders within the company can network, participate in professional development opportunities and learn skills to further their careers. YPN is aimed at broadening associates' skills to help them excel in current and future roles.

### ARGs In Action

Throughout the year, ARGs host many different events including mentorship of young girls interested in STEM, international festivals celebrating customers and cultures from around the world, and diversity and inclusion workshops to build effective work teams and business acumen.



## Associates at Work

At Timken, diversity and inclusiveness are valued drivers of how we serve our customers and win in the marketplace. Because we believe diversity of thought and an inclusive culture helps to support better ideas, a stronger workforce and a more desirable place to work, we strive to attract, develop, engage and retain a high performing and diverse workforce.

Timken is actively enhancing global diversity through multiple initiatives such as engaging recruiting firms to focus on diverse talent, utilizing diverse job posting sites and working with university programs that are designed to encourage application by diverse candidates. Timken plans to continue progress on actions to further the diversity of its global workforce.

<b>TOTAL WORKFORCE</b> (Full time >95%; Part time <5%)		<b>15,484</b> This number excludes associates that became part of Timken via acquisition in 2018. See Page 38 for more information on the scope of this report.	
<b>REGION</b>	<b>Total</b>		
	<b>Number</b>	<b>Percentage</b>	
Americas	7,493	48.39%	
Asia Pacific	4,725	30.52%	
Europe, Middle East, Africa	3,266	21.09%	
<b>GENDER</b>			
Female	3,647	23.55%	
Male	11,797	76.19%	
Undeclared	40	0.26%	
<b>AGE</b>			
<30	2,494	16.11%	
30-50	7,562	48.84%	
>50	5,428	35.06%	

Percentages above indicate percentage of total workforce.



# Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability

Timken advances environmental sustainability both in how we operate and in the solutions we create for our customers around the globe. We work to reduce our own footprint and design and deliver innovative products that propel the renewable energy marketplace and advance energy efficiency.

### Managing Our Environmental Footprint

Timken is committed to being a good steward of the environment. We embrace energy efficiency, pollution prevention, waste management and recycling, and we have the structures in place to ensure success. Our Global EHS Policy and EHS Management System govern the actions of Timken leadership and associates alike. Our EHS Leadership Council sets the vision and strategy for environmental performance at Timken and from there it cascades to our plants around the world. The EHS Leadership Council also works closely with plant managers who develop facility-level environmental goals and submit them to the EHS Leadership Council for approval.

While we always strive to reduce emissions and waste, we will be setting environmental goals moving forward. For example, we currently have 17 plants with ISO 14001 certification. ISO 14001 is a global standard that specifies requirements for an effective environmental management system (EMS). Our goal is to have in place or implement an EMS based on the principles of the ISO 14001 standard at each of our major manufacturing facilities\* worldwide.

Timken has set a corporate goal to have in place or implement an EMS based on the principles of the ISO 14001 standard at each of our major manufacturing facilities\* worldwide.

### LEED® Certification

Timken's world headquarters in North Canton, Ohio, U.S., and plant in Xiangtan, China, are certified gold under the U.S. Green Building Council's® Leadership in Energy & Environmental Design™ (LEED). LEED provides a framework to create healthy, highly efficient and cost-saving green buildings.

\*Defined as manufacturing facilities where we employ more than 100 people.

## Plant-Level Environmental Requirements

Our thorough EHS standards dictate the following actions at each Timken manufacturing facility to further our commitment to environmental stewardship:

### Energy

- Records of energy use (e.g., electricity, natural gas, fuel oil, gasoline, propane, etc.) must be documented and reviewed quarterly.
- Facilities must look for opportunities to reduce consumption and cost, and record results of actions taken to reduce climate-related risks.
- Energy-efficient lighting must be installed for new construction or replacements, and plants must optimize the use of natural light when possible.
- Energy-efficient equipment such as motors, pumps, compressors, HVAC systems and variable speed drives must be considered for new or replacement equipment installation.

### Air Emissions

- An inventory of air emissions must be documented and kept current.
- All significant or regulated air emission sources must be identified and documented.
- Approvals, permits and licenses must be obtained as required, and compliance with terms and conditions must be monitored. If permitting is not required, documentation must be maintained on file at the facility.
- Air emission inventories must be updated, air emissions calculated and documented, and reports submitted as required by regulations or permits.
- Equipment emitting air emissions must be properly ventilated, when required, or for associate comfort. Local codes and requirements must be referenced to determine the height of ventilation stacks.



## Timken Goes Solar in India

Our factory in Chennai, India, recently took an initial step in reducing its carbon footprint by 1.5 million kilograms per year by installing a 1.28 megawatt solar array on its roof. We anticipate other Timken plants will follow suit in the future.

### Waste Management

- Every waste stream from industrial operations – such as grinding and heat-treat byproducts, paint waste, filters and other waste – must be evaluated and analyzed, when appropriate, and characterized as hazardous, regulated, special or nonhazardous waste. Documentation must be maintained on site specifying how the hazardous waste classification was determined (e.g., laboratory analysis and safety data sheets).
- At a minimum, recycling programs must include cardboard, plastic, paper and aluminum cans. In the event that local recycling programs are not feasible, the reasons for not recycling must be documented and supported.
- Associates are required to follow facility-specific waste management and recycling procedures.
- Records of waste generated and associated costs are reviewed at least quarterly. Facilities must look for opportunities to reduce waste and cost, and record improvements.

### Spill Prevention, Control and Countermeasures

- Facilities must have a written, up-to-date plan(s) that includes procedures for spill and release notification and response/cleanup. Applicable regulations must be referenced to ensure plans include all required information.
- Procedures or plans for responding to spilled materials such as oil, soaps, solvents, corrosives and other chemicals must be documented, communicated to affected associates and evaluated for effectiveness.
- Spill response equipment must be located in appropriate areas and routinely inspected.

90%

Timken diverts 90% of our waste from landfills.

\$1M

Timken saved \$1 million through waste reduction initiatives over the past few years.



### Green Globe Awards

Reducing environmental impacts and costs through improved efficiency is a focus at Timken – and our plants have risen to the challenge. Our internal annual environmental recognition program has inspired associates around the world to innovate and act.

**Climate Change:  
Balancing Risks and Opportunities**

There's widespread consensus that the world needs to act now to lower carbon emissions to mitigate climate change. While this presents challenges for many companies, especially in the manufacturing sector, it has also opened significant opportunities for Timken. Many of our products support the burgeoning wind and solar power industries, two of our fastest-growing market sectors. Our high-efficiency truck-wheel bearings help the transportation industry and others save on fuel. (See Page 24 for more information on the environmental benefits of our products).

Risks to our business relative to climate change are primarily regulatory. Tighter emissions controls could potentially increase our operational costs, and waning government subsidies for renewable power in the United States could negatively impact wind and solar installations. Severe weather associated with a changing climate could potentially impact our operations as well.



**World's Largest Operational Solar Thermal Power Plant**

BrightSource Energy's Ivanpah solar thermal power system is built on five square miles in California's Mojave Desert and powers more than 140,000 homes. The plant uses Cone Drive solar tracker devices to position 300,000 mirrors that track the sun and reflect it to boilers atop three 457-foot tall

towers. The sun, rather than fossil fuels, creates a high-temperature steam that turns a conventional turbine and generates electricity. Over a 30-year lifecycle, the plant is expected to avoid 3 million tons of carbon dioxide emissions – the equivalent of taking 2 million cars off the road.

## Environmental Data

ENERGY CONSUMPTION*		
Energy consumption within the organization 1,000 gigajoules	<b>TOTAL</b> from non-renewable and renewable sources	<b>4,776.16</b>
	<b>Total</b> from non-renewable sources	<b>4,774.41</b>
	Natural Gas	1,999.61
	Electricity	2,554.99
	No. 6 Fuel Oil	1.61
	No. 2 Fuel Oil	0.03
	Propane	98.26
	Diesel	1.40
	Recovered Fuel	11.09
	Purchased Steam/Hot Water	107.42
	<b>Total</b> from renewable sources	<b>1.75</b>
	Solar Energy	1.72
	Biodiesel	0.03
<b>Energy intensity</b> gigajoules per \$1,000 of Standard Value of Production [SVOP]	<b>TOTAL</b>	<b>3.26</b>

WATER CONSUMPTION**		
Water withdrawal megaliters	<b>TOTAL</b> from all sources	<b>3,247.61</b>
	Ground Water	2,030.81
	Third-Party Water	1,216.80

GREENHOUSE GAS EMISSIONS <sup>†</sup>	
<b>Direct (Scope 1) emissions; natural gas and fuel</b> 1,000 MTCO <sub>2</sub> e	105.25
<b>Indirect (Scope 2) emissions; electricity</b> 1,000 MTCO <sub>2</sub> e	375.06
<b>GHG emission intensity (Scope 1 and Scope 2)</b> 1,000 MTCO <sub>2</sub> e per SVOP	0.33

\* Energy consumption tracked using utility records and internal logs. Conversion of fuel consumption to gigajoules based on information from U.S. Energy Information Administration and Abraxas Energy Consulting, LLC. No energy was sold by the organization during the reporting period. Energy intensity includes electricity, natural gas, fuel oils, propane and solar energy and reflects only energy consumption within the company.

\*\* Water consumption data obtained from utility records and internal meters and logs. No water drawn from known water stress areas. Change in water storage not identified as significant.

<sup>†</sup> Baseline year for all emissions: 2018. MTCO<sub>2</sub>e = metric tons of CO<sub>2</sub> equivalent. Gases included in Scope 1 emissions: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O; no biogenic emissions. Source of emission factors: Federal Register EPA, 40 CFR Part 98, e-CFR, June 13, 2017, Table C-1, C-2, AA-1, USEPA e-Grid 2016, February 2018, International Energy Agency, based on 2016 data (2018 edition) and published emissions factors. Market-based emissions not included in Scope 2 emissions.

## Environmental Data

EFFLUENTS AND WASTE*			
TOTAL from all sources Hazardous waste (1,000 metric tons)	3.71	TOTAL from all sources Nonhazardous waste (1,000 metric tons)	96.28
Reuse	0.00	Reuse	0.00
Recycling	0.99	Recycling	52.47
Composting	0.00	Composting	0.00
Energy Recovery	0.73	Energy Recovery	0.49
Incinerations	0.87	Incinerations	0.29
Deep Well Injection	0.00	Deep Well Injection	0.00
Landfill	1.12	Landfill	7.13
On-site Storage	0.00	On-site Storage	0.00
Other	0.00	Other (oily water recycle)	35.90

\*Waste data collected from vendors, invoices and transportation records.

Transport/treatment of hazardous waste (1,000 metric tons)	
Hazardous waste transported	3.71
Hazardous waste imported	0.00
Hazardous waste exported	0.00
Hazardous waste treated	N/A
Percentage of hazardous waste shipped internationally	0.00





## Record-Breaking Technology

Timken bearings run inside a record-breaking prototype wind turbine for one of our large customers. It's the world's first 12 megawatt wind turbine capable of powering 16,000 European households on its own.

## Saving Energy and Powering Sustainable Solutions

At Timken, we not only design products that use less energy and reduce greenhouse gas emissions, we develop solutions to help increase the efficiency and affordability of renewable-energy options. Our innovative products are helping to advance solar and wind energy; increase fuel efficiency in farm equipment, trains and other vehicles; and support the rising demand for electric vehicles.

### Reducing Emissions on the Farm

Timken's Torsion Control Products (TCP) worked closely with an American machinery manufacturer in 2018 to help build a more powerful tractor that produces lower emissions. A key part of the design required moving from a transmission directly mounted on the engine to a remote-mounted one to improve weight distribution. To help accommodate this change, Timken developed a completely new type of coupling that combines shaft bearings and the coupling in a single assembly. This solution reduced costs by eliminating the need for a bearing housing and helped deliver a more environmentally responsible tractor to the modern farmer.

### Harnessing Wind Power More Efficiently

The American Wind Energy Association (AWEA) reports that wind power is on track to supply 10% of U.S. electricity by 2020 and already powers 26 million homes across 41 states. Just a decade ago we entered the market, and now wind energy accounts for almost 5% of our total company revenue, with shipments of more than \$1 billion over the last decade.

A single wind turbine can provide power to thousands of homes, and Timken technology helps keep some of the world's largest wind turbines turning even in the harshest of conditions. Over the last decade, we have

invested millions to help the wind energy industry build larger, more reliable turbines. Timken engineers developed special turbine-specific bearings to reduce wear and tear on the components that help keep the blades turning. For further protection against deterioration, we also offer wear-resistant coatings for those important parts.

Timken innovations like these help reduce costly maintenance and increase a turbine's lifecycle. Increased reliability means greater affordability and helps support the increased demand for wind as an attractive renewable energy source.

## Continuously Making Bearings More Efficient

Timken has worked for decades to continuously make bearings more efficient and less energy-intensive. We do so by collaborating with our global customers to develop innovative and sustainable solutions for their products. Increasingly, customers are demanding high-performance, light-weight, energy-efficient bearing solutions to improve the reliability and operating costs of their systems. As a result, we design bearings that run on leaner, lighter, more eco-friendly lubrications. And, in the case of our rail product line and large bore bearings, we source raw material made from recycled scrap steel, which reduces the energy needed to produce the product. For commercial vehicle axles, we've delivered power-dense, fuel-efficient bearing designs that are smaller and lighter than others in the market. These proprietary bearing designs operate effectively under the higher loads and lighter lubricants used in modern axle centers. They also adapt to changing conditions and optimize power consumption across the entire lifecycle of the application.

## Driving Energy Efficiency

Based on data provided by the U.S. Environmental Protection Agency (EPA), the transportation industry comprises 14% of the world's greenhouse gas emissions. Timken designs high-efficiency bearings to help increase energy efficiency for not only large

transportation companies and corporate fleets, but also the passenger cars and trucks we drive.

With the right bearing system installed, large trucks can reduce fuel usage by as much as approximately 1.2% or in some cases higher. At 100,000 miles per year at 6 miles per gallon, that equates to 195 gallons of fuel avoided annually per truck. According to the EPA, that amounts to a savings of nearly 4,000 pounds of carbon emissions each year, per truck. Across a large fleet, those reductions really add up.

## Advancing Solar Energy

According to the Bloomberg NEF New Energy Outlook 2019, solar energy is expected to grow from 2% of the world's electricity generation today to 22% in 2050, and Timken will help drive it forward.

In recent years, Timken has increased its capabilities and expertise in solar energy applications, including through its 2018 acquisition of Cone Drive and H-Fang, which have worked with the industry to develop drive solutions for the two common types of solar equipment:

- Concentrated solar power (CSP), which uses the sun's rays to heat water and molten salt, in turn powering electricity generating turbines
- Photovoltaic (PV), the large rectangular panels you typically see on top of houses

The gear drives in a CSP tower must continuously rotate thousands of tiny mirrors in sync with the sun's movements to capture as much solar energy as possible, all while dealing with high winds and other harsh conditions. Cone Drive is one of the only companies in the world to offer this highly specialized CSP technology.

Timken's Cone Drive is taking on projects like BrightSource Energy's Ivanpah solar thermal power system in California's Mojave Desert and the world's largest CSP plant, which is currently under construction in Dubai.

## Meeting the Rising Demand for Electric Vehicles

In 2017, approximately 385,000 electric municipal buses hit the road across the globe. Many of these buses are produced and used in China, which has targeted the production of 2 million electric vehicles a year by 2020, largely in response to the demand for lower carbon emitting transportation choices.<sup>1</sup> Electric vehicles and hybrid vehicles, which run on a combination of electricity and fossil fuel, have very different requirements than conventional designs, requirements that Timken can meet and exceed. Timken is already having great success with bus manufacturers in China and, with our experience and engineering expertise, we're well positioned to support future demand for electric and hybrid vehicles.

<sup>1</sup> Source: Electric Buses in Cities, Bloomberg New Energy Finance, March 29, 2018

# Global Growth, Local Opportunity: Building Our Communities Together



At Timken, we are investing in opportunities to keep our communities moving forward. Around the globe, our company and our associates are contributing to efforts to improve housing, feed the hungry, promote education and lift up the places where we do business.

Timken's philanthropic giving started in 1922 with the support of the local United Way. Today, our community commitment spans the globe, transcending cultures and locations, driven by what matters most in our associates' neighborhoods. Last year, The Timken Company awarded more than \$1.5 million to support nonprofits in our U.S. communities through The Timken Company Charitable and Education Fund (the Timken Fund), which is entirely funded by The Timken Company.

Around the world, our locations manage and fund their own philanthropic programs to ensure alignment with local needs, and we encourage flexible work schedules to allow for time spent on volunteerism. To make the biggest impact possible, we focus our philanthropic efforts on three key areas that are important to people everywhere: education, community building and basic needs.



## Supporting Education

We recognize the importance of education and lifelong learning. Our Timken Scholarship Program is a global initiative that provides support to the children of Timken associates who plan to attend a four-year college or university. We also collaborate with leading engineering schools and local Junior Achievement efforts to promote education in our communities.



## Teaching in China

Timken has a long history of supporting Junior Achievement programs and education in China. Here are just two examples of the initiatives we have engaged in over the years.

At a Timken joint venture facility in Xiangtan, China, associates dedicated time during what otherwise would have been a typical workday to assist Junior Achievement programs at the Ma Yang School. Throughout the school day, Timken associates led business and economics classes, and promoted

character building by stressing loyalty, honesty, positivity and optimism – many of the great hallmarks of effective leaders.

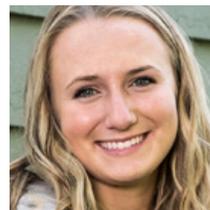
In Yantai, China, associate volunteers provided instruction to primary school students about humanity's role in pollution and its impact on the environment. The goal is to help the students make connections at an early age between global and local issues, and help them understand their ability to influence change in their daily lives.

## Developing the Next Generation: The Timken Scholarship Program

In 2018, the Timken Scholarship Program marked its 60th year of providing educational support for the children of Timken associates. The Timken Fund awarded college scholarships, valued at up to \$540,000 over a four-year period, to 17 children in 13 Timken locations around the world. Since the program's inception, it has provided more than \$23 million in scholarships to deserving students.

Chairman of the Board, John M. Timken, Jr., hosted a recognition event for the 2018 recipients and their families at The Timken Company world headquarters. Local scholarship finalists attended the event in person, while other finalists and their parents joined via a global webcast. Throughout the years, scholarship alumni have used their good fortune as an opportunity to make a positive impact on the world through their careers.

In 2018, the Timken Scholarship Program supported the children of Timken associates across four continents and six countries: China, France, Germany, India, Poland and the United States.



**\$23M+**

Since its inception, the Timken Scholarship Program has awarded more than \$23 million to deserving students



## Building Communities

Timken is proud to support programs that encourage community and economic development, which leads to greater quality of life for people in the area. Our associates donate thousands of volunteer hours supporting personal charities and company-sponsored events, as well as fulfilling community leadership roles and sitting on the boards of various charitable organizations. Our matching gift program provides a dollar-for-dollar match (up to certain limits) to 501(c)(3) organizations championed by our associates.

The Timken Grant Program contributes to nonprofit charitable organizations in our local communities. We financially support several local groups dedicated to expanding economic development.



## Taking Action in India

The Indian government mandates that companies that do business in the country and have annual revenues of more than ~\$150 million USD must donate 2% of their net profit to charity. Here's how Timken is putting those funds in action, along with the generosity of our dedicated associates.

We have enabled critical medical enhancements in the region by funding:

- Ten ambulances and 10 medical mobile vehicles to serve the Bharuch region in Gujarat, which will help disadvantaged people gain better access to hospitals

- Construction of a dialysis center and procurement of dialysis machines, beds and other related equipment to provide access to patients at affordable costs
- A mobile medical unit to provide health checkups to the elderly, who cannot afford medical care and rarely have access to health services

In addition, we:

- Support Sevalaya, which runs an orphanage, free school and medical center benefiting the local community
- Partner with National Securities Depository Limited, an e-governance organization providing student scholarships for higher education

## Meeting Basic Needs

We foster community health and well-being in collaboration with leading global and local organizations, providing food and shelter, as well as supporting easier access to medical care for those in need. In the United States, United Way has long been a focus for Timken's philanthropic efforts. The organization's emphasis on the health, education and financial stability of every person in every community aligns with our values and allows us to bring them to life through giving and community involvement.

## Engaging with Communities

With 118 manufacturing facilities and service centers in 35 countries, Timken is an active member of many communities around the world. We engage with our neighbors in various ways and empower our individual facility leaders to develop relationships that enable them to understand and best meet the needs of the local communities.

Timken's operations have the potential to impact the local community both positively and negatively. Positive impacts include providing jobs, enhancing local economies, paying local taxes as applicable and, in many cases, supporting community education and

other philanthropic efforts. Potential negative impacts include wear and tear on roadways, traffic congestion, noise, emissions and other safety impacts. Timken employs a variety of measures to keep employees, visitors and communities safe including safety management, pollution prevention, community awareness and emergency response planning.

When Timken is developing a new manufacturing facility or other significant presence in a community, we work with local officials and community leaders to assess potential impacts on local infrastructure, the environment, the economy and more.



## Timken Communities Around the World

### Brazil

Associates support GRAACC, a children's hospital that serves 3,000 cancer patients a year, helping families from other states stay in the city during their child's treatment in the hospital.

### Romania

Associates help build homes for people in need together with Habitat for Humanity.

### United States

Associates volunteer their time to efforts such as a local Junior Solar Sprint competition that encourages students to engineer and build small solar-powered vehicles.

## Engaging with Stakeholders

We engage with a variety of stakeholders based on their genuine interest in Timken and their potential to impact our business, our employees and the communities where we live and work. Stakeholder interaction takes many forms, with the intent being to better understand stakeholder priorities and how they factor into our operational decisions.

STAKEHOLDER GROUP	TYPE OF ENGAGEMENT	TOPICS RAISED/ COMPANY RESPONSE
<b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>• Memberships in and/or support of community organizations</li> <li>• Local governments</li> <li>• Site visits/tours</li> </ul>	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Economic development</li> <li>• Employment opportunities</li> </ul>
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>• Timken.com</li> <li>• Satisfaction surveys</li> <li>• In-person meetings</li> <li>• Plant tours</li> </ul>	<ul style="list-style-type: none"> <li>• Advancing sustainable solutions</li> <li>• Product safety and sustainability</li> <li>• Supply chain management</li> </ul>
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>• Timken.com</li> <li>• Surveys</li> <li>• In-person meetings</li> <li>• Training</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier surveys</li> <li>• Industry initiatives</li> <li>• Supplier days</li> <li>• Bilateral talks</li> <li>• Training sessions</li> </ul>
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>• Intranet site</li> <li>• Social media</li> <li>• Periodic satisfaction and engagement surveys</li> <li>• Training and development</li> <li>• Employee calls/webcasts</li> <li>• Union representatives</li> <li>• Town hall meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Benefits</li> <li>• Diversity and inclusion</li> <li>• Development opportunities</li> <li>• Engagement</li> <li>• Satisfaction</li> <li>• Safety, health and wellness</li> </ul>
<b>INVESTORS</b>	<ul style="list-style-type: none"> <li>• SEC filings</li> <li>• Annual shareholders meeting</li> <li>• Quarterly earnings communications</li> <li>• Conference presentations and roadshow investor meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Business results</li> <li>• Governance practices</li> <li>• Board composition</li> <li>• Risk management</li> <li>• Policy engagement</li> <li>• Company strategy</li> </ul>
<b>REGULATORS/ NATIONAL AND REGIONAL GOVERNMENTS</b>	<ul style="list-style-type: none"> <li>• Lobbying</li> </ul>	<ul style="list-style-type: none"> <li>• Taxes and other revenue sources</li> <li>• Job creation</li> <li>• Human rights</li> <li>• Impact assessments</li> <li>• Ethics</li> <li>• Environment</li> <li>• Health</li> <li>• Education</li> <li>• Energy supply and security</li> </ul>
<b>UNIVERSITIES</b>	<ul style="list-style-type: none"> <li>• In-person engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships, collaboration, sharing and cross-training to advance our industry</li> <li>• R&amp;D and new product development</li> </ul>

# Responsible, Ethical Leadership: Doing Right By All Our Stakeholders



Since its inception, Timken has been guided by a steadfast commitment to operate ethically and responsibly everywhere we do business. It starts with our Board of Directors and executive leadership who are dedicated to doing right by our associates, customers, communities and all other stakeholders.

**Formalizing Our Commitment:  
CSR Steering Committee**

In 2019, Timken took a major step forward in formalizing and furthering our commitment to CSR. At the direction of our CEO and the Nominating and Corporate Governance Committee (NCGC) of the Timken Board of Directors, we created a cross-functional CSR Steering Committee. Comprising senior leaders and subject matter experts, the CSR Steering Committee is charged with monitoring and evaluating current CSR activities, developing a cohesive CSR program, recommending strategies and reporting on our progress.

The CSR Steering Committee reported its activities at three of our Executive Strategy Team meetings (consisting of our executive officers, head of strategy and business development, and head of legal), a NCGC meeting, and a meeting of the Board of Directors during 2019 and communicates and consults with stakeholders regarding CSR issues through a variety of avenues:

- One-on-one contacts with customers, suppliers and shareholders
- Related conferences and events
- Third-party reports
- Ongoing dialogue with political and community leaders where Timken operates around the globe



“Throughout our 120-year history, Timken has operated with ethics, integrity and an unwavering commitment to move our world forward through our innovations and actions. From designing and building products that help enable renewable energy to lending a hand in our communities, Timken associates demonstrate our dedication every day and everywhere we do business.”

John M. Timken, Jr.  
Chairman, Board of Directors

## CURRENT TIMKEN BOARD OVERVIEW

<b>COMPOSITION</b>	<p><b>11 Members total</b>  <b>9 Independent under NYSE rules and applicable law</b>  <b>3 Female Directors/1 of 3 Board committees is chaired by a woman</b>  <b>5 Directors between ages 50-59, 4 between 60-69, 2 over 70</b>  <b>5 New independent Directors added since 2014</b></p> <p>The NCGC considers multiple dimensions of diversity in evaluating and recommending Board candidates. These include professional background and capabilities, knowledge of specific industries, geographic experience, race, gender and national origin. The Board, Directors and committees are evaluated each year. Directors are elected annually by a majority of votes cast. Any Director who fails to receive a majority must submit his or her resignation for consideration.</p>
<b>CHAIR</b>	<p><b>The Board Chair is Independent</b>          Since 2014, the Chair of the Board has been independent.</p>
<b>COMMITTEES</b>	<p><b>Audit</b>  <b>Compensation</b>  <b>Nominating and Corporate Governance</b></p> <p>All Board committees are chaired by and composed of independent Directors.</p>
<b>OWNERSHIP</b>	<p><b>Our Directors, Executive Officers and Management are Shareholders</b></p> <p>All Directors and executives are subject to share ownership requirements. Our “Clawback” policy permits the clawback of executive compensation if an executive engages in conduct that is detrimental to Timken.</p>
<b>CONTACT</b>	<p>You may contact the Board in writing:          c/o The Timken Company          Attn: Corporate Secretary          4500 Mt. Pleasant Street NW          North Canton, Ohio 44720</p>



### Timken Wins on Board Diversity

In 2019, Timken received a “Winning” designation by 2020 Women on Boards, a national campaign to increase the percentage of women on U.S. company boards to 20% or greater by the year 2020. Women currently make up 27% of Timken’s Board. Research has shown that companies like Timken, with three or more female board members, perform better financially.

## Corporate Governance

The Timken Company Board of Directors is elected by shareholders to promote the interests of the company and its shareholders by overseeing the management of its business and affairs. The Timken Board is required to abide by the company's Standards of Business Ethics Policy and follow a set of governance guidelines. The Board's NCGC is responsible for developing and recommending corporate governance principles, including reviewing the Standards of Business Ethics Policy.

## Ethics and Integrity

Four core principles guide our commitment to ethics and integrity – honesty, fairness, respect and responsibility. At Timken, everyone is responsible for turning ethics into action. Our Standards of Business Ethics Policy, our code of conduct, provides the foundation for our commitment, outlining how each associate, officer and Director of the company and its subsidiaries should conduct Timken business activities. Our code of conduct is available in all languages in which we conduct business.

To help protect our company's values and reputation, all associates are asked to speak up if something doesn't seem right or when they have a question. Customers, suppliers and other third parties may also contact Timken's ethics reporting resources, which include:

- Any company leader
- Our ethics and compliance office
- The Timken HelpLine

The Timken HelpLine is answered by an external third party, and reports are not traced or recorded. All reports are kept confidential to the maximum extent possible under local law. This allows our associates to report freely any concerns they may have if they are uncomfortable directly approaching management. These reports are investigated by specified individuals trained to deal with sensitive situations. Our policy prohibits retaliation following any good faith report.

## Association Membership

Timken President and CEO Richard Kyle has served as a board member of the National Association of Manufacturers (NAM) since 2017. The NAM board comprises more than 200 of the nation's top manufacturing executives, representing large and small companies alike, across all industrial sectors. Board members provide national and global perspectives on the impact of federal government action on their companies' ability to grow and prosper. In addition, board members contribute their leadership and expertise to the NAM's policy-development process.

Timken supports NAM's position on a number of issues important to manufacturers, including taxes, free trade, energy, infrastructure and workforce development.

Timken is a member of the following trade associations, which we view as strategic to our business:

Canton Regional Chamber  
of Commerce: USA

National Association  
of Manufacturers: USA

Ohio Chamber of Commerce: USA

South Carolina Manufacturers  
Alliance: USA

North Carolina Manufacturers  
Alliance: USA

American Chamber: China

US-China Business Council: USA/China

Foreign Investors Council (FIC): Romania

American Chamber–Romania: Romania

American Romanian Business Council  
(AMRO): Romania

Metal Employer Federation: France

The above non-exhaustive list represents our most material trade association memberships and excludes memberships entered into by recent acquisitions.

# About This Report: Following the Global Reporting Initiative (GRI) Standards

OUR EXPERIENCES SHAPE  
WHAT WE MAKE.

The Timken 2018 Corporate Social Responsibility Report includes information focused primarily on data collected and activities that occurred during calendar year 2018, except where indicated. We believe that this inaugural report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2018, Core option. We currently expect to update this report annually.

### Report Scope

Quantitative data related to operations and facilities of businesses that were acquired by Timken in calendar year 2018 are excluded from this report, as the full integration of these businesses was still underway. Otherwise, personnel data in this report covers all of Timken's and its subsidiaries' operations worldwide, while all other data (including environmental data) covers Timken's and its subsidiaries' significant locations of operations, defined as owned locations employing 100 or more people.

### Materiality Assessment

We conducted a materiality assessment to inform much of the content in this report and guide Timken's strategy and programs going forward. The goal of the materiality assessment was to identify the economic, social, environmental and ethical topics that are important to Timken and our stakeholders.

The topics considered in the materiality assessment were developed by reviewing the GRI Standards in the Economic, Environmental and Social categories, which were classified into 17 key subtopics to allow for a more focused

### MATERIAL TOPICS

Diversity and Equal Opportunity

Emissions

Energy

Financial Performance

Health and Safety

Human Rights

Regulatory Compliance

Retention, Compensation and Benefits

Training and Education

Waste

assessment. Internal stakeholders, including a cross section of Timken executives, associates and the CSR Steering Committee, completed a ranking exercise to determine how topics should be prioritized based on their importance to Timken and its external stakeholders.

The CSR Steering Committee assessed the correlation between the ranked topics and external standards, such as the industry-specific reporting standards from the Sustainability Accounting Standards Board for the Industrial Machinery & Goods market and the United Nations Sustainable Development Goals, to aggregate the topics into a list of material topics. We also reviewed customer, supplier and peer CSR reports to further inform our view of additional topics relevant to our industry. The resulting material topics were reviewed and approved by Timken's executive management.

We will continue to regularly engage with our shareholders, employees, customers, suppliers and community leaders, among others, to focus on the issues most relevant to our business and our stakeholders.

For definitions, boundaries, management approaches and other information for each of our material topics, please see Page 54 of the GRI Standards Index.

Certain statements in this report (including statements regarding the company's beliefs, estimates and expectations) that are not historical in nature are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, the statements related to Timken's plans, developments, targets, goals and expectations are forward-looking. Timken cautions that actual results may differ materially from those projected or implied in forward-looking statements due to a variety of important factors, including those discussed in the company's filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended Dec. 31, 2018, quarterly reports on Form 10-Q and current reports on Form 8-K. Except as required by the federal securities laws, the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## GRI Standards Index

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
<b>GENERAL DISCLOSURES</b>		
102-01	Name of the organization	The Timken Company
102-02	Activities, brands, products, and services	Timken: Moving Our World Forward, For Good, Pages 5-7; Website: <a href="#">About (Brands)</a> ; <a href="#">Timken 2018 Form 10-K: Item 1</a>
102-03	Location of headquarters	North Canton, Ohio, United States
102-04	Location of operations	Timken: Moving Our World Forward, For Good, Page 7; <a href="#">Timken 2018 Form 10-K: Item 2</a>
102-05	Ownership and legal form	Timken: Moving Our World Forward, For Good, Page 5
102-06	Markets served	Timken: Moving Our World Forward, For Good, Pages 6-7; <a href="#">Timken 2018 Form 10-K: Item 1</a>
102-07	Scale of the organization	Timken: Moving Our World Forward, For Good, Pages 5-7; <a href="#">Timken 2018 Form 10-K: Item 1</a>
102-08	Information on employees and other workers	Shared Values and Growth: Advancing Our World, Page 16 (Associates at Work)
102-09	Supply chain	<a href="#">Timken 2018 Form 10-K: Item 1A</a>
102-10	Significant changes to the organization and its supply chain	<a href="#">Timken 2018 Form 10-K: Item 7</a>
102-11	Precautionary principle or approach	Shared Values and Growth: Advancing Our World, Page 9 (Protecting the Health and Safety of Our Associates); Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 18 (Managing Our Environmental Footprint)
102-12	External initiatives	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 18 (Managing Our Environmental Footprint); Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 35 (Timken Wins on Board Diversity)

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
102-13	Membership of associations	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 36 (Association Membership)
102-14	Statement from senior decision-maker	CEO Letter, Page 2
102-15	Key impacts, risks, and opportunities	<a href="#">Timken 2018 Form 10-K: Item 1A</a>
102-16	Values, principles, standards, and norms of behavior	Shared Values and Growth: Advancing Our World, Page 5; Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 36 (Ethics and Integrity); Website: <a href="#">Ethics and Integrity</a>
102-17	Mechanisms for advice and concerns about ethics	Shared Values and Growth: Advancing Our World, Page 9 (Protecting the Health and Safety of Our Associates); Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 36 (Ethics and Integrity); Website: <a href="#">Ethics and Integrity</a>
102-18	Governance structure	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 36 (Corporate Governance); Website: <a href="#">Board of Directors</a> ; Website: <a href="#">Committee Composition</a> ; Website: <a href="#">Governance Documents (Committee Charters, Board Policies and Procedures, Amended Regulations)</a> ; <a href="#">Timken 2019 Proxy Statement, Page 21 (Corporate Governance Highlights)</a>
102-19	Delegating authority	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 34 (Formalizing Our Commitment: CSR Steering Committee)
102-20	Executive-level responsibility for economic, environmental, and social topics	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 34 (Formalizing Our Commitment: CSR Steering Committee)
102-21	Consulting stakeholders on economic, environmental, and social topics	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 34 (Formalizing Our Commitment: CSR Steering Committee)
102-22	Composition of the highest governance body and its committees	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 35 (Current Timken Board Overview); <a href="#">Timken 2019 Proxy Statement, Page 9 (Nominees), Page 18 (Board Committees)</a>
102-23	Chair of the highest governance body	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 35 (Current Timken Board Overview); Website: <a href="#">Board of Directors</a>

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
102-24	Nominating and selecting the highest governance body	<a href="#">Timken 2019 Proxy Statement, Page 20 (Nominating and Corporate Governance Committee), Page 15 (Board and Committee Meetings, Board Leadership Structure), Page 16 (Director Compensation), Page 18 (Board Committees)</a>
102-25	Conflicts of interest	Website: <a href="#">Timken Standards of Business Ethics Policy: Our Code of Conduct, Page 30 (Conflicts of Interest)</a>
102-26	Role of highest governance body in setting purpose, values, and strategy	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Pages 34-36; Website: <a href="#">Governance Documents</a>
102-27	Collective knowledge of highest governance body	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Pages 34-36; Website: <a href="#">Board of Directors General Policies and Procedures</a>
102-28	Evaluating the highest governance body's performance	<a href="#">Timken 2019 Proxy Statement, Page 20 (Nominating and Corporate Governance Committee)</a> ; Website: <a href="#">Board of Directors General Policies and Procedures</a>
102-29	Identifying and managing economic, environmental, and social impacts	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 34 (Formalizing Our Commitment: CSR Steering Committee)
102-30	Effectiveness of risk management processes	<a href="#">Timken 2019 Proxy Statement, Page 22 (Risk Oversight)</a>
102-31	Review of economic, environmental, and social topics	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 34 (Formalizing Our Commitment: CSR Steering Committee)
102-32	Highest governance body's role in sustainability reporting	CEO Rich Kyle formally reviews and approves Timken's CSR report. The Nominating and Corporate Governance Committee, the Board Committee responsible for CSR, reviews and provides feedback on Timken's CSR report.
102-33	Communicating critical concerns	Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 36 (Ethics and Integrity); Website: <a href="#">Ethics and Integrity</a>
102-35	Remuneration policies	<a href="#">Timken 2019 Proxy Statement, Page 16 (Director Compensation), Page 49 (Executive Compensation)</a>

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
102-36	Process for determining remuneration	<a href="#">Timken 2019 Proxy Statement, Page 16 (Director Compensation), Page 49 (Executive Compensation)</a>
102-37	Stakeholders' involvement in remuneration	<a href="#">Timken 2019 Proxy Statement, Page 30 (2018 Compensation Decisions and Actions)</a>
102-38	Annual total compensation ratio	(Partially reported) <a href="#">Timken 2019 Proxy Statement, Page 60 (CEO Pay Ratio)</a>
102-40	List of stakeholder groups	Global Growth, Local Opportunity: Building Our Communities Together, Page 32 (Engaging with Stakeholders)
102-41	Collective bargaining agreements	Approximately 20% of the total employee population were covered by a collective bargaining agreement during the reporting year.
102-42	Identifying and selecting stakeholders	Global Growth, Local Opportunity: Building Our Communities Together, Page 32 (Engaging with Stakeholders)
102-43	Approach to stakeholder engagement	Global Growth, Local Opportunity: Building Our Communities Together, Page 32 (Engaging with Stakeholders)
102-44	Key topics and concerns raised	Global Growth, Local Opportunity: Building Our Communities Together, Page 32 (Engaging with Stakeholders)
102-45	Entities included in the consolidated financial statements	<a href="#">Timken 2018 Form 10-K: Exhibit 21 (Subsidiaries of the Registrant)</a>
102-46	Defining report content and topic boundaries	About This Report, Page 38 (Materiality Assessment)
102-47	List of material topics	About This Report, Page 38 (Materiality Assessment)
102-48	Restatements of information	N/A - This is Timken's first CSR report
102-49	Changes in reporting	N/A - This is Timken's first CSR report
102-50	Reporting period	Calendar year 2018

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
102-51	Date of most recent report	This report
102-52	Reporting cycle	About This Report, Page 38
102-53	Contact point for questions regarding the report	<a href="mailto:CSR@timken.com">CSR@timken.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	About This Report, Page 38
102-55	GRI content index	GRI Index, Pages 40-55
102-56	External assurance	Other than content that references our 2018 Form 10-K, this report has not been externally assured. Timken may consider seeking external assurance for some report data in the future.
<b>TOPIC-SPECIFIC STANDARDS: ECONOMIC</b>		
<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	Timken: Moving Our World Forward, For Good, Page 7; <a href="#">Timken 2018 Form 10-K: Item 8</a>
201-2	Financial implications and other risks and opportunities due to climate change	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 21 (Climate Change: Balancing Risks and Opportunities)
201-3	Defined benefit plan obligations and other retirement plans	<p>Timken maintains a competitive defined contribution retirement program for its associates in the United States. The program has an enormously high participation rate with over 90% of the eligible population participating in the plan. In order to keep participation high, we are constantly updating the program to make it one of the most competitive plans in the industry.</p> <p>In the United States, Timken offers four defined benefit plans, of which two came with recent acquisitions. All four plans have been closed to new members for some time and are sufficiently funded to meet obligations. Internationally, Timken offers retirement programs consistent with the requirements outlined by national law in our respective locations.</p> <p><a href="#">Timken 2018 Form 10-K: Contractual Obligations (Page 37)</a></p>

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
<b>Market Presence</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Shared Values and Growth: Advancing Our World, Page 13 (Offering Competitive Benefits)
202-2	Proportion of senior management hired from the local community	Shared Values and Growth: Advancing Our World, Page 15 (Embracing Diversity and Inclusion)
<b>Indirect Economic Impacts</b>		
203-1	Infrastructure investments and services supported	Global Growth, Local Opportunity: Building Our Communities Together, Page 30
203-2	Significant indirect economic impacts	Global Growth, Local Opportunity: Building Our Communities Together, Pages 27-31
<b>Procurement Practices</b>		
204-1	Proportion of spending on local suppliers	Of the approximately 400,000 tons of steel that Timken purchases annually, about 320,000 tons, or 80%, are purchased regionally/locally, which is defined as the ability to be shipped without crossing open seas. Approximately 85% of our materials used are sourced regionally/locally. Significant locations of operations is defined as locations employing 100 or more people.
<b>Anti-corruption</b>		
205-1	Operations assessed for risks related to corruption	The risk assessment for corruption is conducted on an enterprise-wide basis. While the Audit Committee of the Board of Directors is ultimately responsible for the oversight of Timken's anti-corruption program, our Vice President of Legal and Corporate Secretary provides the highest level of executive oversight for that program.

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
205-2	Communication and training about anti-corruption policies and procedures	<p>Timken's anti-corruption policies and procedures have been communicated to all Board members, and all Board members have received training on anti-corruption.</p> <p>Timken's anti-corruption policies and procedures have been communicated to all salaried associates, and all salaried associates are assigned mandatory training on anti-corruption.</p> <p>Timken has a Supplier Code of Conduct, which is available on our website and communicated to suppliers. The Supplier Code of Conduct addresses anti-corruption.</p>
205-3	Confirmed incidents of corruption and actions taken	During the reporting period, Timken did not experience any incidents of corruption that rose to the level of materiality that would have required disclosure in our periodic reports filed with the SEC other than as disclosed therein.
<b>Anti-competitive Behavior</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<p>During the reporting period, Timken was not identified as a participant in any legal actions alleging anti-competitive behavior or violations of anti-trust and monopoly legislation that rose to the level of materiality that would have required disclosure in our periodic reports filed with the SEC other than as disclosed in such reports.</p> <p>See also, <a href="#">Timken Form 10-Q (Note 8, Page 14)</a>, for quarterly period ending June 30, 2019</p>
<b>TOPIC-SPECIFIC STANDARDS: ENVIRONMENTAL</b>		
<b>Energy</b>		
302-1	Energy consumption within the organization	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 22 (Environmental Data)
302-3	Energy intensity	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 22 (Environmental Data)
302-5	Reductions in energy requirements of products and services	Timken's high-efficiency bearings help reduce the energy consumption of many of our customers' products. For more information please see Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 24 (Saving Energy and Powering Sustainable Solutions)
<b>Water</b>		
303-5	Water consumption	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 22 (Environmental Data)

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 22 (Environmental Data)
305-2	Energy indirect (Scope 2) GHG emissions	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 22 (Environmental Data)
305-4	GHG emissions intensity	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 22 (Environmental Data)
<b>Effluents and Waste</b>		
306-2	Waste by type and disposal method	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 23 (Environmental Data)
306-3	Significant spills	During the reporting period, Timken experienced no spills that rose to the level of materiality that would have required disclosure in our periodic reports filed with the SEC other than as disclosed in such reports.
306-4	Transport of hazardous waste	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 23 (Environmental Data)
<b>Environmental Compliance</b>		
307-1	Noncompliance with environmental laws and regulations	During the reporting period, Timken identified no noncompliance with environmental laws and/or regulations that rose to the level of materiality that would have required disclosure in our periodic reports filed with the SEC other than as disclosed in such reports.
<b>Supplier Environmental Assessment</b>		
308-1	New suppliers that were screened using environmental criteria	All new direct material suppliers are subject to a stringent onboarding process that is compliant with International Automotive Task Force (IATF) standards. This included on-site visits ensuring systems and processes are in place covering areas such as quality, capacity, risk management and corporate social responsibility topics. The IATF certification also outlines continual compliance audits required based on risk assessments of the supplier. Environmental and social expectations are also outlined in Timken's Supplier Code of Conduct including violation reporting procedures and expectations up to and including termination of the business relationship.

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
<b>TOPIC-SPECIFIC STANDARDS: SOCIAL</b>		
<b>Employment</b>		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Shared Values and Growth: Advancing Our World, Page 13 (Offering Competitive Benefits)
<b>Labor/Management Relations</b>		
402-1	Minimum notice periods regarding operational changes	Timken complies with the local legal and regulatory requirements in the locations where we operate. This would include providing proper notice to employees who are impacted by business and operational changes. Notice periods relating to significant operational changes are agreed on at a local level by management, human resources and when applicable, employee representatives or unions. We do not track this information centrally, but all of our operations are required to abide by the legal and regulatory requirements of their environment as part of our Standards of Business Ethics.
<b>Occupational Health and Safety</b>		
403-1	Occupational health and safety management system	Shared Values and Growth: Advancing Our World, Page 9 (Protecting the Health and Safety of Our Associates)
403-2	Hazard identification, risk assessment, and incident investigation	Shared Values and Growth: Advancing Our World, Page 9 (Protecting the Health and Safety of Our Associates)
403-3	Occupational health services	Shared Values and Growth: Advancing Our World, Page 13 (Supporting Health On and Off the Job)
403-4	Worker participation, consultation, and communication on occupational health and safety	Shared Values and Growth: Advancing Our World, Page 12 (Safety is Everyone's Job)

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
403-5	Worker training on occupational health and safety	Shared Values and Growth: Advancing Our World, Page 10 (Global EHS Policy)
403-6	Promotion of worker health	Shared Values and Growth: Advancing Our World, Page 12 (Safety is Everyone's Job)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Shared Values and Growth: Advancing Our World, Page 9 (Protecting the Health and Safety of Our Associates)
403-8	Workers covered by an occupational health and safety management system	Shared Values and Growth: Advancing Our World, Page 9 (Protecting the Health and Safety of Our Associates)
403-9	Work-related injuries	(Partially reported) Shared Values and Growth: Advancing Our World, Page 12 (Injury Rates Reported to U.S. Occupational Safety and Health Administration), Page 12 (Safety is Everyone's Job) NOTE: Regarding this indicator, Timken does not distinguish between injuries and ill health. Injury and accident rates are calculated based on 200,000 hours worked.
403-10	Work-related ill health	(Partially reported) Shared Values and Growth: Advancing Our World, Page 12 (Injury Rates Reported to U.S. Occupational Safety and Health Administration), Page 12 (Safety is Everyone's Job) NOTE: Regarding this indicator, Timken does not distinguish between injuries and ill health. Injury and accident rates are calculated based on 200,000 hours worked.
<b>Training and Education</b>		
404-2	Programs for upgrading employee skills and transition assistance programs	At Timken many associates who involuntarily leave the company due to workforce reductions or who are retiring have access to third-party assistance to help them plan and learn new skills for the next phase of their careers or personal lives. Shared Values and Growth: Advancing Our World, Page 14 (Developing Our Associates), Page 14 (Continued Learning)
404-3	Percentage of employees receiving regular performance and career development reviews	Shared Values and Growth: Advancing Our World, Page 14 (Developing Our Associates), Page 14 (Continued Learning)

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	Shared Values and Growth: Advancing Our World, Page 16 (Associates at Work); Responsible, Ethical Leadership: Doing Right By All Our Stakeholders, Page 35 (Current Timken Board Overview)
405-2	Ratio of basic salary and remuneration of women to men	Shared Values and Growth: Advancing Our World, Page 13 (Offering Competitive Benefits); Significant locations of operations is defined as locations employing 100 or more people.
<b>Non-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	We do not report on the total number of alleged incidents of discrimination and any corrective actions taken as this is Timken confidential information. Timken does not tolerate any form of discrimination and embraces diversity and inclusion. See Shared Values and Growth: Advancing Our World, Page 15 (Embracing Diversity and Inclusion)
<b>Freedom of Association and Collective Bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Timken respects the right of employees to join unions and be represented by these unions in accordance with the applicable national or local laws and practices. Timken does not have any known issues at operations in sectors or geographical areas that constitute a risk to the right to exercise freedom of association. See also, <a href="#">Forced Labor and Human Trafficking Statement</a>
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">Timken Supplier Code of Conduct, Section A, Paragraph 3</a> ; The Timken Supplier Code of Conduct addresses issues of particular importance in our global supply chain. It outlines the workplace standards and business practices that are consistent with our core values of ethics and integrity and our own employee code of conduct. We expect our suppliers around the world to adhere to this code as we work together for mutual success. The issue of child labor is included in the Timken Supplier Code of Conduct. Section A, paragraph 3 is referenced on every Timken Purchase Order via terms and conditions as well as published on the internet ( <a href="http://www.timken.com/contact-suppliers">www.timken.com/contact-suppliers</a> ). In 2018, no violations of child labor were identified in Timken or suppliers' operations. See also, <a href="#">Forced Labor and Human Trafficking Statement</a>

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>The Timken Supplier Code of Conduct addresses issues of particular importance in our global supply chain. It outlines the workplace standards and business practices that are consistent with our core values of ethics and integrity and our own employee code of conduct. We expect our suppliers around the world to adhere to this code as we work together for mutual success.</p> <p>The issue of forced labor is included in the Timken Supplier Code of Conduct. Section A, paragraph 4 is referenced on every Timken Purchase Order via terms and conditions and is published on the internet (<a href="http://www.timken.com/contact-suppliers">www.timken.com/contact-suppliers</a>). In 2018, no violations of forced labor were identified in Timken or suppliers' operations.</p> <p>See also, <a href="#">Forced Labor and Human Trafficking Statement; Timken Supplier Code of Conduct, Section A, Paragraph 4</a></p>
<b>Security Practices</b>		
410-1	Security personnel trained in human rights policies or procedures	<p>All Timken employed security personnel follow the company Standards of Business Ethics and complete all company mandated training on such topics. In addition, Timken security personnel cover topics such as human rights, search and seizure rules, and illegal detainment laws in their annual training. For third-party security services, Timken contracts with reputable, certified security providers whose personnel are trained in accordance with local laws. These services providers are managed by local Timken leadership and are required to follow the legal, regulatory and Timken Global Security Standards in the locations in which they serve.</p> <p>Complaints or potential violations can be reported through the standard company process or corporate HelpLine and are investigated accordingly.</p> <p>See also, <a href="#">Forced Labor and Human Trafficking Statement</a></p>
<b>Rights of Indigenous Peoples</b>		
411-1	Incidents of violations involving rights of indigenous peoples	Timken is not aware of any incidents involving indigenous rights violations.

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
<b>Human Rights Assessment</b>		
412-1	Operations that have been subject to human rights reviews or impact assessments	All our operations are subject to reviews or assessments that deal with human rights, as well as broader reviews addressed by our Standards of Business Ethics. Furthermore, we have established a global HelpLine, which all violations against our Standards of Business Ethics can be reported, including violations of human rights.  See also, <a href="#">Forced Labor and Human Trafficking Statement</a>
412-2	Employee training on human rights policies or procedures	(Partially Reported) Timken is committed to ensuring all of our associates understand our stance on human rights. This is a key component of our Standards of Business Ethics Policy, which has been translated in multiple languages and distributed to all offices, plants and locations around the world. As part of this, we recognize the importance of promoting individual health and welfare and watch for indicators of exploitations of children, physical punishment or abuse and involuntary servitude of any person. We do not condone or permit human trafficking, the use of child, forced, indentured or involuntary labor in any of our operations. We expect our suppliers and other third parties to uphold these same standards (as set forth in our Supplier Code of Conduct). In addition, we provide various training and awareness opportunities worldwide. To further combat violations of human rights, such as discrimination and harassment, we provide a companywide HelpLine that associates can call (anonymously if they choose) and voice concerns relating to human rights without fear of retaliation.  See also, <a href="#">Forced Labor and Human Trafficking Statement</a>
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Our standard terms and conditions of purchase reference our Supplier Code of Conduct, which contains a human rights clause; <a href="#">Forced Labor and Human Trafficking Statement</a>
<b>Local Communities</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	Global Growth, Local Opportunity: Building Our Communities Together, Page 31 (Engaging with Communities)
413-2	Operations with significant actual and potential negative impacts on local communities	Global Growth, Local Opportunity: Building Our Communities Together, Page 31 (Engaging with Communities)

DISCLOSURE	TITLE	EXPLANATION OR LOCATION
<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	All new direct material suppliers are subject to a stringent onboarding process that is compliant with International Automotive Task Force (IATF) standards. This included on-site visits ensuring systems and processes are in place covering areas such as quality, capacity, risk management and corporate social responsibility topics. The IATF certification also outlines continual compliance audits required based on risk assessments of the supplier. Environmental and social expectations are also outlined in Timken's Supplier Code of Conduct including violation reporting procedures and expectations up to and including termination of the business relationship; <a href="#">Forced Labor and Human Trafficking Statement</a>
414-2	Negative social impacts in the supply chain and actions taken	We are not aware of any negative social impacts in the supply chain or actions taken in the last year.
<b>Customer Health and Safety</b>		
416-1	Assessment of the health and safety impacts of product and service categories	We aim to prevent and address identified health and safety issues in all our product categories.
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	During the reporting period, Timken identified no new incidents of noncompliance with regulations and/or voluntary codes concerning the health and safety impacts of Timken products and services that rose to the level of materiality that would have required disclosure in our periodic reports filed with the SEC other than as disclosed in such reports.
<b>Marketing and Labeling</b>		
417-2	Incidents of noncompliance concerning product and service information and labeling	During the reporting period, Timken identified no new incidents of noncompliance with regulations and/or voluntary codes concerning product and service information and labeling that rose to the level of materiality that would have required disclosure in our periodic reports filed with the SEC other than as disclosed in such reports.
<b>Socioeconomic Compliance</b>		
419-1	Noncompliance with laws and regulations in the social and economic area	During the reporting period, Timken identified no noncompliance with laws and/or regulations in the social and economic area that rose to the level of materiality that would have required disclosure in our periodic reports filed with the SEC other than as disclosed in such reports.

DISCLOSURE 103-1 & 103-2		MANAGEMENT APPROACH			
MATERIAL TOPIC	DEFINITION	LOCATION	BOUNDARY	SASB*	UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)*
Diversity and Equal Opportunity	Promoting equal employment opportunities, non-discrimination policies and practice in the workplace, and the value of diversity in the workforce	Shared Values and Growth: Advancing Our World, Page 15 (Embracing Diversity and Inclusion) See also GRI 406-1	Internal/ External		✓
Financial Performance	Promoting responsible economic growth	Timken: Moving Our World Forward, For Good, Page 7 (Financial Performance); <a href="#">Timken 2018 Form 10-K: Item 6</a>	Primarily Internal		✓
Health and Safety	Offering workplace conditions, support systems, and policies to promote the well-being, health, and safety of our associates	Shared Values and Growth: Advancing Our World, Page 9 (Protecting the Health and Safety of Our Associates), Page 10 (Global EHS Policy), Page 10 (EHS Leadership Council), Pages 10-11 (EHS Management Systems), Page 12 (Safety is Everyone's Job), Page 12 (Emergency Action Planning), Page 13 (Supporting Health On and Off the Job); <a href="#">Global EHS Policy</a>	Primarily Internal/ Partially External	✓	✓
Regulatory Compliance	Ensuring that all associates, officers, and directors practice sound ethics, that we establish sound governance standards, and that we comply with law and applicable regulations	Shared Values and Growth: Advancing Our World, Pages 10-11 (EHS Management Systems) See also GRI 205-1 and 205-2; <a href="#">Global EHS Policy</a>	Internal/ External		✓
Emissions	Working to track and reduce greenhouse gas emissions associated with our footprint	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 18 (Managing Our Environmental Footprint), Page 19 (Plant-Level Environmental Requirements), Page 25 (Driving Energy Efficiency); <a href="#">Global EHS Policy</a>	Internal/ External	✓	✓

DISCLOSURE 103-1 & 103-2	MANAGEMENT APPROACH				
MATERIAL TOPIC	DEFINITION	LOCATION	BOUNDARY	SASB*	SDGs*
Energy	Working to reduce our energy use and continuing to produce more energy-efficient products	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 18 (Managing Our Environmental Footprint), Page 19 (Plant-Level Environmental Requirements), Page 24 (Saving Energy and Powering Sustainable Solutions); <a href="#">Global EHS Policy</a>	Internal/ External	✓	✓
Human Rights	Prohibiting the use of child, forced, or compulsory labor and promoting general human rights	<a href="#">Timken Supplier Code of Conduct</a> ; <a href="#">Forced Labor and Human Trafficking Statement</a> ; See also GRI 408-1, 409-1, 412-1 and 412-2	Primarily External		✓
Retention, Compensation and Benefits	Offering benefit and compensation packages to our associates that help ensure their well-being and to help attract and retain talented individuals and maintain healthy labor relations	Shared Values and Growth: Advancing Our World, Page 13 (Offering Competitive Benefits)  See also GRI 402-1 and 407-1	Primarily Internal		✓
Training and Education	Supporting ongoing training and education for associates	Shared Values and Growth: Advancing Our World, Page 14 (Developing Our Associates), Page 14 (Continued Learning)	Primarily Internal		✓
Waste	Sustainably managing waste at our facilities, including through waste reduction efforts, reuse, and recycling	Innovative Products, Proven Practices: Supporting Our Commitment to Sustainability, Page 18 (Managing Our Environmental Footprint), Page 19 (Plant-Level Environmental Requirements); <a href="#">Global EHS Policy</a>	Internal/ External		

\* The SASB and UN SDGs references are to indicate the material topics to which they relate. We are not claiming that this report fulfills any specific SASB indicator or that it demonstrates progress against specific UN SDG targets or indicators.

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