

Code of Conduct Schaeffler Group

## Transparency, Trust, and Teamwork



# Foreword



Ladies and Gentlemen,  
Dear Employees,

With the Roadmap 2025, we have defined our strategy and execution program for the next five years. As the basis for this strategy, we have reformulated our corporate purpose: We pioneer motion to advance how the world moves. This is what drives us and expresses our identity.

We live in times of great change. Schaeffler is a publicly listed family company with a unique identity – a company shaped by its founders, with a long history of success, a clear strategic orientation, and a strong commitment to deeply held values and principles. This is not a contradiction, on the contrary: We live by the values of a global family business. Integrity, fairness, and mutual respect when doing business has always been a core element of our DNA. This is reflected in our proven leadership principles of Transparency, Trust, and Teamwork as well as our values: sustainable, innovative, excellent, and passionate.

We assume responsibility for the future of the Schaeffler Group and subsequent generations by acting responsibly and with a long-term perspective, respecting applicable law and regulations, relying on diversity, and promoting environmental and climate protection. Our fundamental values form our compass, which we use to steer the course toward the future together with our shareholders, business partners, and, of course, our employees, especially in these challenging times of far-reaching changes.

We want to further develop our business and sharpen our corporate profile. But not at all costs. No business is so important that we may break our values and applicable laws. Unethical behavior can lead to considerable damage. Integrity is an integral part of our corporate culture. In this way, we create the trust that is so important for our continued business success. To continue pioneering motion to advance how the world moves, we move with integrity.

Dear Employees, we have updated the Schaeffler Code of Conduct and adapted it to our corporate strategy. It provides orientation in our actions and, at the same time, represents an important promise to the outside world.

We all contribute to leading Schaeffler into a sustainably successful future. Please use this Code of Conduct and let us consistently orient our daily conduct towards each other, our business partners, and the general public accordingly.

On behalf of the Schaeffler Executive Board, I count on your contribution and thank you for your support.

Best regards,

A handwritten signature in blue ink that reads "Klaus Rosenfeld". The signature is fluid and cursive.

Klaus Rosenfeld  
Chief Executive Officer  
Schaeffler AG

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**INTEGRITY, FAIRNESS, AND MUTUAL RESPECT ARE THE CORNERSTONES WITHIN THE SCHAEFFLER GROUP UPON WHICH OUR ACTIONS ARE BASED. SCHAEFFLER LIVES UP TO ITS CORPORATE RESPONSIBILITY AND THEREBY CREATES THE PREREQUISITES FOR THE COMPANY'S SUSTAINED SUCCESS.**



This Code of Conduct was approved by the Executive Board of Schaeffler AG with the full support of the Schaeffler family. The Code of Conduct emphasizes the importance that Schaeffler<sup>1</sup> places on responsible corporate conduct.

The Code of Conduct describes the values and principles of conduct whose letter and spirit must be observed by all of us – Executive Board, managers, and all employees – and that Schaeffler also expects its business partners to follow.

These values and principles of conduct represent a mandatory basis for Schaeffler's global business activities.

Schaeffler therefore expects all of its employees<sup>2</sup> to feel personally responsible for compliance with this Code of Conduct and to support everybody in adhering to it in the same manner.

<sup>1</sup> The term "Schaeffler" refers to the Schaeffler Group, i.e., Schaeffler AG and all Group companies in which Schaeffler AG directly or indirectly holds a majority stake.

<sup>2</sup> The term "employees" also includes managers at all levels as well as members of the executive bodies.

# 1 FUNDAMENTAL PRINCIPLES AND RULES OF CONDUCT

## 1.1 Integrity

Integrity means that Schaeffler's business practices always conform to the company's values and principles of conduct. Schaeffler and its employees adhere to both the applicable laws and to the company's internal regulations. They act according to the company's values and follow their own inner compass in order to ensure that regulations become practiced values.

Schaeffler and its employees maintain integrity in their dealings with others and expect integrity from business partners.

Schaeffler only maintains business relationships with third parties whose business practices conform to the values and principles of conduct specified in this Code of Conduct, and thus safeguard the company and its employees against criminal or other forms of liability and protect Schaeffler's good reputation.

## 1.2 Transparency, trust, and teamwork

Schaeffler is a fair and reliable partner. Schaeffler and its employees therefore act transparently towards the company's shareholders, business partners, and each other. Transparency generates trust, and trust is the foundation of successful teamwork.

Responsible collaboration requires actions and decisions that are transparent and comprehensible. Only then will they meet the required level of acceptance. When it comes to collaboration, transparency also means that issues are addressed openly, and people deal with each other honestly.

## 1.3 Handling of risks

Schaeffler cautiously takes calculated business risks in order to achieve the company's strategic objectives and realize the expected resulting benefits. As a rule, business success requires opportunities to be seized and that the related risks identified early, assessed, and managed.

Schaeffler defines risks as the threat that events or actions prevent the company from achieving its objectives or successfully implementing its strategies.

Risks are actively managed with the help of the risk management system implemented within the Schaeffler Group. The handling of risks is enhanced at all corporate and business levels by consistently addressing risks and regularly monitoring risk-driving factors.

In this way, we ensure a continuous and group-wide risk awareness at all levels of the company and strengthen the lived risk culture. It is the responsibility of each employee to appropriately manage the business risks within their assigned area of responsibility. Individual risks that could jeopardize the continued existence of the company are not accepted.

#### 1.4 Respect for human rights

Respect for human rights is an integral part of Schaeffler's corporate social responsibility. The company is committed to the United Nations' international code of human rights, the "UN Guiding Principles on Business and Human Rights," the ten principles of the "UN Global Compact," and the internationally recognized standards of the eight core conventions of the International Labor Organization (ILO).

Accordingly, all employees respect the dignity and personal rights of all individuals as well as all parties with whom the company is associated through its activities, business relationships, and products. Schaeffler actively prevents infringements of human rights and eliminates these as part of a human rights due diligence process. Schaeffler endeavors to positively influence the personal rights of all parties with whom the company is associated.

#### 1.5 Adherence to applicable law

Schaeffler and its employees respect and adhere to all applicable local, national, and international laws and regulations. Adherence to these laws and regulations is the basis for Schaeffler's long-term economic success. Infringements of these laws and regulations can cause significant harm and have serious consequences for the company, employees, business partners, and other stakeholders.

#### 1.6 Avoiding conflicts of interest

Schaeffler expects loyalty and integrity from all its employees. This means that all employees act in Schaeffler's interest while they are employed by the company and make business decisions in the company's best interest. Personal interests, economic or otherwise, are not allowed to negatively interfere with or obstruct the interests of Schaeffler.

Employees should therefore avoid situations in which personal interests or actions conflict with the interests of the company. If conflicts of interest cannot be avoided, they must disclose these and work with their managers to find a solution that will protect Schaeffler's interests.

#### 1.7 Handling company assets with due care

Schaeffler and its employees handle the company's assets in a careful and responsible manner. These include both material values such as buildings, facilities, and operating materials as well as information technology, software, data, and intellectual property.

All employees are responsible for utilizing the resources, operating materials, and information made available to them exclusively in the company's interests. They protect these against negative influences and keep them in proper condition.

Employees observe and adhere to the regulations and specifications regarding the use and security of the company's assets.

#### 1.8 Proper accounting and financial reporting

Schaeffler always adheres to the principles of proper accounting. The Schaeffler Group uses a system of correct financial reporting based on these principles to establish trust among its contractual partners, shareholders, and the public.

Schaeffler conducts its accounts, records, and documentation in a truthful, correct, complete, and up-to-date manner in accordance with the requirement for transparency. Schaeffler keeps its relevant stakeholders informed on a regular basis by publishing its financial results, which are created in accordance with international financial reporting standards.

To ensure proper financial reporting, Schaeffler established an internal control system that addresses and monitors risks through effective control activities, thereby ensuring sustainable value creation.

#### 1.9 Proper conduct in public

Schaeffler expects its employees to avoid making any public statements on behalf of the company and instead to refer any questions to the Corporate Communications department. Schaeffler takes a positive attitude towards the use of social media networks by its employees and respects their right to freely express their opinions. When expressing their opinions in public, employees observe common courtesy and maintain a respectful tone. Employees can find guidelines for proper conduct in social networks in Schaeffler's social media guideline and netiquette<sup>3</sup>.



<sup>3</sup> This can be found on Schaeffler Group's corporate website at [www.schaeffler.com](http://www.schaeffler.com).

# 2 BEHAVIOR TOWARDS BUSINESS PARTNERS AND THIRD PARTIES

## 2.1 Fair competition

Schaeffler stands for fair and undistorted competition. The antitrust regulations of the markets on which Schaeffler is active and on which Schaeffler's economic activities may have an impact are observed and followed by both Schaeffler and its employees.

Virtually all countries have laws and regulations prohibiting agreements, arrangements, and coordinated actions between competitors, suppliers, consumers, and distributors that may inhibit or be intended to inhibit competition. The same applies to the misuse of market influence by unilateral action.

Schaeffler expects its employees not to participate in practices that are in contravention of competition and antitrust law.

## 2.2 Anti-corruption

Schaeffler does not tolerate corruption in any form. Any conduct – by both employees and business partners – that may give the impression of business decisions being influenced in an impermissible manner is forbidden.

Schaeffler wants to avoid the appearance of business decisions or economic success being dependent on benefits.

## Gifts and hospitality

Benefits such as gifts, invitations, or other things of value are only permissible if they are appropriate and transparent.

The offering and acceptance of benefits in any form for the purpose of influencing persons in the public or private sector is prohibited. The granting of benefits to public officials, government officials, or representatives of these persons for the purpose of unlawfully promoting business will not be tolerated. The same applies to facilitation payments and to indirect benefits, e.g., via business partners and other third parties. Facilitation payments are small, legally non-stipulated payments to government officials to encourage them to perform routine governmental actions they are already required to perform.

All Schaeffler employees must therefore adhere to the anti-corruption laws of the countries in which Schaeffler conducts business activities. Additionally, the company's guidelines for preventing corruption also apply for all employees.

## Donations and sponsoring

Schaeffler is aware of its social responsibility. The purpose of donations is to promote non-profit causes. Donations to political parties or their representatives, politicians, members of parliament, and candidates for political office as well as individual persons are not made.

Sponsoring activities are used to sustainably generate a positive public image and perception for Schaeffler.

Caution is necessary with regard to requests and offers for donations and sponsoring, as this type of benefit can also be construed as (clandestine) bribery. Every donation and every sponsoring activity must therefore conform to the applicable laws and Schaeffler's internal regulations and requires special approval with the involvement of the Compliance department.

**2.3 Prevention of money laundering and financing of terrorism**

Schaeffler fulfills its legal responsibilities to combat money laundering and the financing of terrorism. The company neither participates in activities connected with money laundering and the financing of terrorism, nor does it allow or tolerate the latter. Every employee is required to report all financial transactions that may give just cause to suspect money laundering and to initiate a review of these transactions by the Compliance department responsible.

**2.4 Export control and sanctions law**

National and international laws and directives regulate import, export, trade, brokering, and financing transactions, the rendering of services, and the forwarding of goods (material goods, software, and technology). Schaeffler ensures by means of appropriate processes that transactions and activities both with third parties and within the Schaeffler Group do not contravene export control and sanctions laws.

**2.5 Taxes and customs**

Schaeffler is committed to obeying all applicable tax laws and customs regulations. It does not pursue any improper tax avoidance strategies.

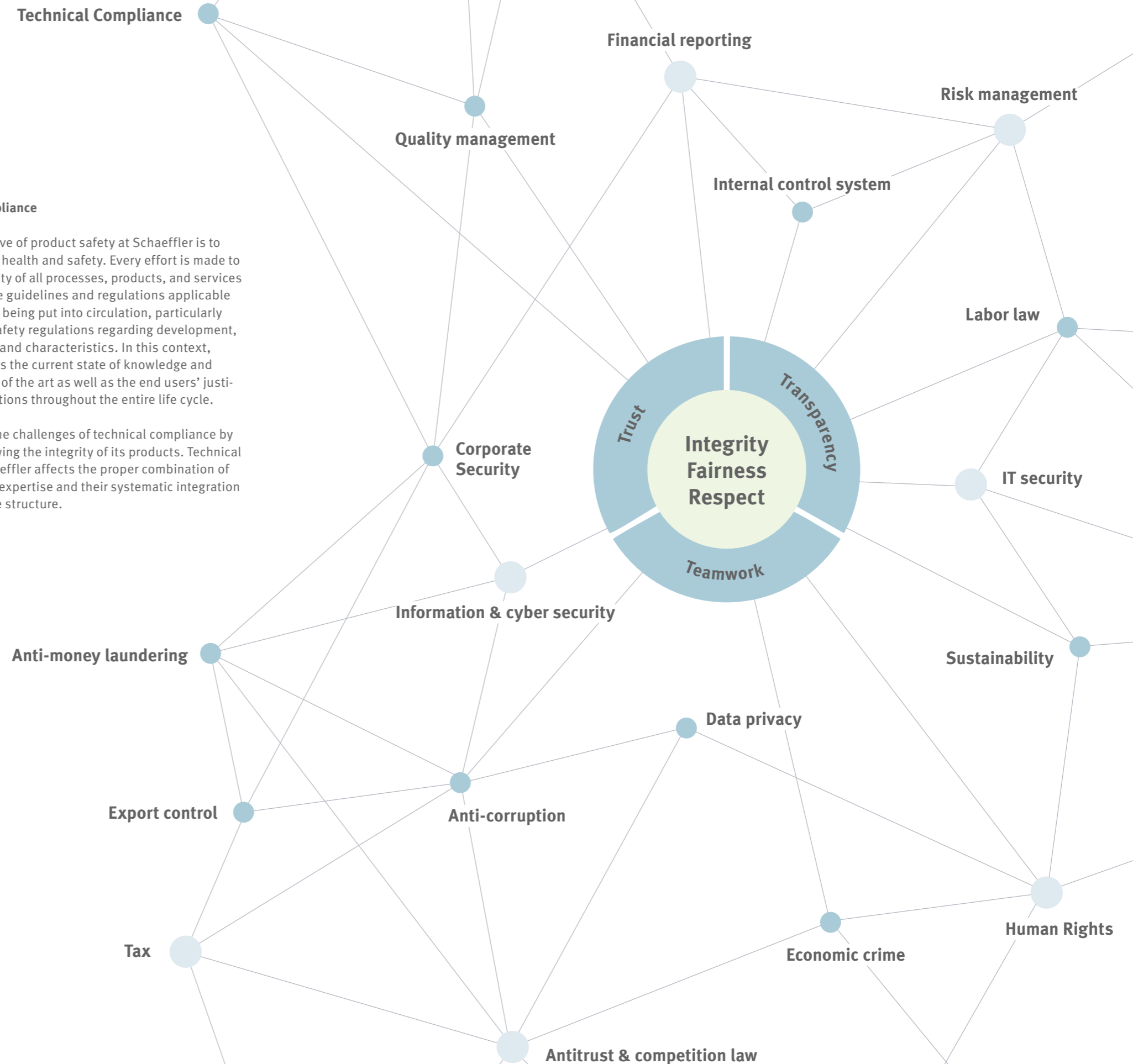
Schaeffler is aware of its social responsibility as a company and of the need for appropriate state financing. Schaeffler is prepared to make an appropriate contribution to tax revenue in accordance with the Schaeffler Group's performance capability in Germany and abroad.

Cooperation with financial administration bodies takes place in an open and respectful manner.

**2.6 Technical compliance**

The primary objective of product safety at Schaeffler is to safeguard people's health and safety. Every effort is made to ensure the conformity of all processes, products, and services while observing the guidelines and regulations applicable at the time of these being put into circulation, particularly the legal product safety regulations regarding development, manufacture, use, and characteristics. In this context, Schaeffler considers the current state of knowledge and technological state of the art as well as the end users' justified safety expectations throughout the entire life cycle.

Schaeffler solves the challenges of technical compliance by continuously reviewing the integrity of its products. Technical compliance at Schaeffler affects the proper combination of technical and legal expertise and their systematic integration into the governance structure.





# 3 HANDLING OF INFORMATION

## 3.1 Digitalization

Schaeffler considers digitalization as a strategic imperative and recognizes that state-of-the-art information technologies such as the cloud, artificial intelligence, the Internet of Things, and digital twins offer a host of opportunities and potential. Digital possibilities, such as the automation of business processes, the ability to mine even more information from structured and unstructured data, and state-of-the-art forms of connectivity both in-house and with external stakeholders, open up opportunities for Schaeffler, its employees, and its customers along the entire value chain.

Schaeffler handles data responsibly. Digital solutions are carried forward in a sustainable and value-focused manner. In all in-house and external solutions, Schaeffler fully ensures the highest possible level of cyber security and data protection.

## 3.2 Protection of company-relevant information

Schaeffler protects information relevant to the company against misuse, loss, destruction, and manipulation. We utilize the relevant safety standards to do this and implement appropriate confidentiality measures.

This applies not only to information proprietary to the company but also to confidential information that is entrusted to Schaeffler by its business partners.

Information and cyber security are a high priority for Schaeffler, and its objective is to continuously improve the fulfillment of the following safety objectives: confidentiality, availability, and integrity. The necessary regulatory framework is provided by an information security management system.

## 3.3 Protection of personal data

Schaeffler protects and observes the personal rights of its employees and business partners. Adherence to the applicable regulations and laws, particularly in the handling of personal data, is ensured by means of suitable measures.



## 3.4 IT security

IT systems are designed to a high standard of IT security at Schaeffler. The corporate data, employee data, and business partner data that are processed are protected by the technical and organizational IT security measures in an optimum and legally compliant manner.

## 3.5 Insider information

Insider information, i.e., specific information that, should it become publicly known, could significantly influence the price of listed securities, must be treated as strictly confidential. Managers and employees who have such insider information at their disposal are prohibited from utilizing it for the purpose of trading with securities or other financial instruments, disclosing it to third parties, or utilizing it to make recommendations for purchasing or selling securities or other financial instruments.

# 4 TREATMENT OF EMPLOYEES AND COLLEAGUES

## 4.1 Fair working conditions and employee development

Schaeffler is committed to observing the ILO's eight core labor standards, recognizes its employees' entitlement to adequate remuneration, and observes the legally guaranteed minimum wages in the respective labor markets. Schaeffler observes applicable labor law regulations in all its companies. Schaeffler observes the relevant maximum working times and fulfills employees' entitlement to minimum vacation periods.

The company expects its business partners (particularly HR service providers) to respect their employees' entitlement to fair remuneration and to serve our values and principles of conduct with regard to their treatment of others.

At Schaeffler, our focus is on our employees and on trusting cooperation. We regard our employees' development as an investment in the future of each individual and in the competitiveness of our company.

We offer an extensive range of development and career options that allow us and our employees to shape Schaeffler's future together. These give every employee the opportunity to develop according to their individual abilities and their professional and personal interests. Schaeffler values and promotes lifelong learning, i.e. learning through experience, from one another, and through training courses in order to remain innovative and successful.

Leadership plays a central role here when it comes to reconciling the company's interests with the needs of the individual.

## 4.2 Diversity and the principle of equal treatment

Schaeffler has a long-term commitment to creating a respectful working environment that is free from prejudice and in which diversity is regarded as a success factor. Everybody should feel valued, regardless of their age, gender, gender identity, ethnic and social background, nationality, religion, world view, disabilities, and sexual orientation.

Schaeffler values multicultural experience and diversity and considers these to be strengths in its global organization. As such, we respect each other and strive to create a working environment in which inclusion is actively practiced and that is free from discrimination, intimidation, and abuse.

## 4.3 Compatibility of work and family

As a global family company, it is of particular importance to Schaeffler to promote the best possible conditions for combining family and work by making family-friendly arrangements.

By taking the specific needs of families into consideration, Schaeffler aims to increase the satisfaction and motivation of its employees and thus the company's performance capability.

Cooperation based on trust and transparency provides the foundation for successful teamwork in the interest of both the employee and the company.

## 4.4 Rejection of forced and child labor

Schaeffler strictly rejects all forms of child labor, forced/ compulsory labor, modern slavery, involuntary or exploitative prison labor, human trafficking, and other forms of exploitation in its own business activities. Schaeffler expressly requires its business partners to do the same.

## 4.5 Dialog with employees and employee representatives

Schaeffler respects its employees' right to freedom of association and grants them the right to collective bargaining for the purpose of regulating working conditions. In this context, Schaeffler cooperates with employee representatives in a trusting and constructive manner. Irrespective of this right, Schaeffler always allows its employees to express their interests directly.

# 5 SUSTAINABILITY, ENVIRONMENT, HEALTH, AND SAFETY

## 5.1 Acting with sustainability in mind

Sustainability is firmly anchored within Schaeffler's values and conduct. The sustainable generation of added value is based on unity between economic, ecological, and social responsibility – both with regard to our products, to their production, and to the supply chain. Schaeffler therefore understands sustainable action as a cross-sectional issue that is relevant in all areas of the company.

Employees actively contribute to sustainability by basing their conduct on social values, helping to minimize resource consumption, and enhancing all relevant sustainability aspects through their day-to-day actions.

Schaeffler maintains a comprehensive EHS (Environment, Health, and Safety) management system at all its production facilities worldwide. The company places great value on the protection of occupational health and safety and the observance of local environmental protection laws and international regulations. Schaeffler works together with its business partners to ensure that they recognize and fulfill their responsibility to protect the environment, the climate, and occupational health and safety.

## 5.2 Environmental and climate protection

The protection of the environment is an integral part of Schaeffler's corporate responsibility. This applies to the entire industrial manufacturing process, operational business before, during, and up to the completion of transport, disposal, and recycling. By implementing eco-friendly processes at all locations, the company reduces its environmental impact to a minimum and continuously improves its environmental protection. To ensure that environmental standards are fulfilled, systems are implemented within Schaeffler that ensure safety, control, and measurability.

Employees bear joint responsibility in all their activities, e.g., by reducing waste, energy and water consumption, and greenhouse gas emissions. We work according to the principle of a circular economy – from the design and manufacture of our products and the extension of their operating life through to the recycling of the materials used.

The Schaeffler Group's product portfolio also focuses on solutions aimed at achieving zero-emissions mobility. As a partner to the energy sector, Schaeffler supports the expansion of renewable energy generation. In this way, the company and its customers are actively helping to promote social change through the creation of technologies that protect the environment and climate.

## 5.3 Occupational health and safety

Schaeffler provides a safe working environment for its employees by meeting or exceeding applicable legal requirements, regulations, or company guidelines with regard to active occupational health and safety. Schaeffler considers work-related illnesses and work accidents to be fundamentally avoidable. Schaeffler actively implements measures aimed at reducing the number and severity of work accidents. Additionally, Schaeffler maintains and promotes the physical and psychological well-being of its employees. In particular, managers have the task of ensuring that appropriate health and safety precautions are taken.

Particular focus is placed on employees who are in particular need of protection, such as young persons, pregnant employees, and persons with physical impairments. Such persons are protected against work tasks that may be hazardous to their health or safety.



# 6 REPORTING AND CONTACT PERSONS

## 6.1 Reporting of misconduct

Improper behavior of any kind will be actively addressed at Schaeffler. Both employees and external actors are encouraged to speak up freely and without fear of repressive measures. Reprisals against employees who express their concerns regarding misconduct within the company in good faith are forbidden. This also applies to external actors who make contact with Schaeffler.

The following contacts are available for both employees and third parties.

## 6.2 Local contact persons

To clarify questions with regard to the Code of Conduct or address misconduct, employees can always contact a person in their immediate working environment, for example:

- Managers
- Regional compliance officers
- HR department, Legal and Auditing department, or
- Employee representatives

## 6.3 Whistleblowing system

Notifications about violations of the Schaeffler Code of Conduct, specifically illegal business practices or potential human rights violations, can be made using the Schaeffler Group's whistleblowing system. This system is available in a number of languages and allows anonymous, confidential, specially encrypted, secure communication with the investigation team in Schaeffler's Compliance department.

The whistleblowing system can be reached by the following means:

<b>Post</b>	Schaeffler AG Forensics and Investigations Industriestrasse 1 – 3 91074 Herzogenaurach
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<b>24/7 telephone hotline</b>	+49 30 12095120 (German, English, French)  Availability by phone in other languages: Spanish +1 213 2791017 Portuguese +55 21 20182964 Chinese +86 10 85233042
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<b>E-mail</b>	investigations@schaeffler.com
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<b>Online reporting channel</b>	<a href="https://www.bkms-system.net/schaeffler">https://www.bkms-system.net/schaeffler</a>
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Schaeffler will vigorously investigate any leads regarding misconduct in accordance with the principle of proportionality. Every lead will be followed up. Depending on the result, a comprehensible decision is made as to what consequences are suitable, necessary, and commensurate.

## Contact

In addition to the specified local contact partners, employees can also contact Compliance & Corporate Security directly.

Eric S. Soong  
Group Chief Compliance Officer

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