


MODERN SLAVERY STATEMENT

for financial year 2017/18

This statement is made pursuant to section 54 of the Modern Slavery Act 2015.

It sets out the steps that Schaeffler (UK) Ltd has undertaken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

As a global family business with a strong foundation in its values, respect for human rights is an indispensable part of corporate responsibility for the Schaeffler Group. We are committed to acting in an ethical manner, with integrity and transparency in all business dealings. We are committed to creating effective systems and controls to safeguard against any form of modern slavery taking place within the business or our supply chain.

Our Organization's Structure, its Business and its Supply Chains

The Schaeffler Group is a globally active automotive and industrial supplier. By delivering high-precision components and systems in engine, transmission, and chassis applications, as well as rolling and plain bearing solutions for a large number of industrial applications, the Schaeffler Group is already shaping "mobility for tomorrow" to a significant degree.

The technology company generated sales of approximately EUR 14.2 billion in 2018. With more than 92,500 employees, Schaeffler is one of the world's largest family companies and, with approximately 170 locations in over 50 countries, has a worldwide network of manufacturing locations, research and development facilities, and sales companies.

Schaeffler maintains a network of about 32,000 suppliers from around 82 countries. Due to our complex international supply chain, the Schaeffler Group is exposed to a certain level of risk of being confronted either directly or indirectly with legal or human rights violations. The company's acceptance of responsibility and due diligence processes in relation to human rights issues are primarily oriented towards the "UN guiding principles on business and human rights" and towards the ten principles of the UN Global Compact. Both the Modern Slavery Act (MSA) introduced in Great Britain and the German Action Plan for Economics and Human Rights require companies to formulate and implement goals and measures to protect human rights along their supply chain.

As a global family business, the Schaeffler Group supports these efforts with structured activities designed with long-term considerations in mind: Using a risk-based process, the Schaeffler Group has developed processes and policies to fulfil the Modern Slavery Act. We are also operating a number of internal policies to ensure that we are conducting business in an ethical and transparent manner, as well as continuing to formulate and implement goals and measures to

Schaeffler (UK) Ltd

Waleswood Road, WalesBar, Sheffield, S26 5PN, UK, Phone +44 1909 510500, Fax +44 1909 515151, www.schaeffler.com, Registered office: Forge Lane, Minworth, Sutton Coldfield, West Midlands, B76 1AP, UK Registered in England and Wales No. 556493, Bank: GBP: Barclays, BIC: BARCGB22, IBAN: GB42 BARC 2000 0093 2094 31, EUR: Commerzbank Nuremberg, BIC DRESDEFF760, IBAN: DE077 6080 0400 1100 4400 0, USD: Natwest, BIC: NWBKGB2L, IBAN: GB72 NWBK 6073 0142 0376 38, VAT No.: GB 747890285, D.U.N.S.: 216400069,

protect human rights along our supply chain. Some of these processes, policies, practices and plans are detailed below:

Our Schaeffler Group Corporate Code of Conduct

This code sets out the principles and practices that must be observed in letter and spirit by all

Schaeffler employees, managers and the Executive Board, as Schaeffler also expects from its business partners. Approved by the entire Executive Board and fully supported by the Schaeffler family, the code demonstrates the importance Schaeffler attaches to the responsible corporate conduct including the rejection of forced and child labor. The Executive Board of Schaeffler AG expects each of its employees to feel personally responsible for compliance with this Code of Conduct and to encourage colleagues to abide by it as well. You can view a copy of our [Schaeffler Group Corporate Code of Conduct](#).

Due Diligence Processes for Business Partners

Ensuring that supply chains are responsible for social and environmental issues such as working conditions, fair wages, freedom of association, occupational safety, and environmental

protection is a part of many national laws and internationally recognized policies. In its Supplier Code of Conduct (SCoC) adopted by the Executive Board in 2017, the Schaeffler Group has formulated minimum requirements for suppliers. As part of our structured business partner due diligence process, central business partners of the Schaeffler Group are reviewed continuously. The review includes asking questions about the company's business models as well as their organizational structures. If there are any concerns in individual cases in this respect, the partners in question will either not be integrated into the business relationship or specific measures will be agreed on in each individual case to counteract the risk of forced labor and slavery. Controlling and monitoring aspects are also being established in contracts with companies as part of this company-specific collaboration, in order to permanently exclude any legal violations. For more information see [Schaeffler Supplier Code of Conduct](#).

Training and Communication

We are currently elaborating a modern slavery training through internal training measures for relevant employees so that they are aware of the issues surrounding modern slavery and what to do if they suspect that it is taking place within our supply chain. This has to be done within the framework of mandatory compliance training, with reference to the Schaeffler Group's Code of Conduct. The knowledge we establish in this way should form the foundation of a culture that avoids forced labor and slavery in an even more structured manner and will support the compliance processes we have established.

We will continuously update our regulations and procedures to ensure it maintains appropriate safeguards against any mistreatment of persons involved in our supply chain. For more information on our aims, achievements and progress in these fields please see [Sustainability Report](#) and our [Combined Separate Nonfinancial Report 2018](#)

Approval for this statement

This statement was approved by the Board of Directors on by Greig Littlefair



Signed:

Mr Greig Littlefair, Managing Director

Date: 17. May 2019