

MODERN SLAVERY STATEMENT for the financial year 2020

Schaeffler (UK) Ltd. represents the Schaeffler Group (hereinafter also referred to as “Schaeffler”) in the UK. Schaeffler (UK) Ltd. as a leading rolling bearing specialist provides industry customers with innovative bearing solutions from a single source. The Automotive OEM division produces ground-breaking products for vehicles with drive trains based on internal combustion engines as well as for hybrid and electric vehicles. The Automotive Aftermarket division is responsible for the replacement parts business worldwide and delivers innovative repair solutions in original-equipment quality.

This statement is made pursuant to section 54 of the Modern Slavery Act 2015. It sets out the steps that Schaeffler has undertaken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within its business or supply chain.

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

As a leading global supplier to the automotive and industrial sectors, the Schaeffler Group has been driving forward ground-breaking inventions and developments in the fields of motion and mobility for over 70 years. With innovative technologies, products, and services for CO₂-efficient drives, electric mobility, Industry 4.0, digitalization, and renewable energies, the company is a reliable partner for making motion and mobility more efficient, intelligent, and sustainable. The technology company manufactures high-precision components and systems for drive train and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications.

The Schaeffler Group generated sales of approximately EUR 14.4 billion in 2019. With more than 84,200 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 28,000 suppliers from around 81 countries. Due to our complex international supply chain, Schaeffler is exposed to a certain level of risk of being confronted either directly or indirectly with legal or human rights violations. Schaeffler has formulated minimum requirements for suppliers that are based on the principles of the United Nations Global Compact and the core labour standards of the International Labour Organization (ILO). Both the Modern Slavery Act introduced in the United Kingdom 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.

Schaeffler supports these efforts with structured activities designed with long-term considerations in mind: Schaeffler has developed 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 measures to ensure the respect for human rights in our entire value chain. These policies and measures are also meant to address modern slavery and add to a risk-based approach. Some of the policies and measures are detailed below:

- **Schaeffler Group Corporate Code of Conduct (CoC)**

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 CoC demonstrates the importance Schaeffler attaches to responsible corporate conduct including the rejection of forced and child labour. Schaeffler expects each of its employees to feel personally responsible for compliance with this CoC and to encourage colleagues to abide by it as well. For more information see [Schaeffler Group Corporate Code of Conduct](#).

- **Schaeffler Group Corporate Supplier Code of Conduct (SCoC)**
Ensuring that supply chains are responsible for social and environmental issues such as working conditions, fair wages, freedom of association, occupational health & safety, and environmental protection is a part of many national laws and internationally recognized policies. In its SCoC adopted by the Executive Board in 2017, the Schaeffler Group has formulated minimum requirements for suppliers. For more information see [Schaeffler Group Corporate Supplier Code of Conduct](#).
- **Whistleblowing System**
Notifications about substantial violations of the CoC, specifically illegal business practices, can be made using the internal incident reporting system at any time. The system is available in 6 languages and allows a confidential and specially encrypted, secure dialogue with the Compliance department at Schaeffler. This ensures that all employees know they can raise concerns about any non-compliant or unethical practices within our business or supply chain, without fear of reprisals. The whistleblowing system is available via <https://www.bkms-system.net/schaeffler>.
- **Risk evaluation and management process**
Future activities aimed at systematically developing Due Diligence and sustainability in the supply chain include the usage of questionnaires (e.g. the Drive Sustainability SAQ) for production material suppliers provided in cooperation with a platform service provider. The collection of information via the SAQ is the first step in the further integration of sustainability into the relationship with our suppliers and complements our Supplier Code of Conduct. This provides the base for supplier risk evaluation in the future.
- **Training and Communication**
We conduct 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 is done within the framework of a mandatory compliance training, with reference to the CoC. The knowledge we establish in this way should form the foundation of a culture that avoids forced labour and slavery in an even more structured manner and will support the compliance processes we have established.

We will continuously update and develop 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 [Schaeffler Sustainability](#).

This policy statement was approved for and on behalf of the Executive Board on 21st January 2021.

Signed by



Greig Littlefair
Managing Director