

# SCHAEFFLER



*Teamwork*

*Responsibility*

*Respect*

*Integrity*

*Fairness*

*Trust*

*Transparency*

Schaeffler Group Corporate Code of Conduct

**Transparency, Trust  
and Teamwork**



*Sadis and further,*

Schaeffler's business practices are based on mutual respect, integrity and fairness.

In this way, we want to be a reliable partner for our shareholders, customers, suppliers and, of course, for our employees. The three major success factors are transparency, trust and teamwork. Transparency creates trust and trust is the basis for good teamwork.

We have established ourselves as a family-owned company with an excellent reputation among our customers, suppliers and in the public eye thanks to decades of outstanding work, innovative technologies, and first-class quality. This is a precious commodity that we want to protect and develop.

We want to continue to grow profitably, but not at all costs. No business is so important that we may break applicable laws and regulations. Acting irresponsibly can lead to considerable damage. For this reason, compliance with our rules and laws must be regarded as a permanent part of our corporate culture. Our updated Code of Conduct provides guidance in this regard. It applies to all in the same way – the Executive Board, managers, every single employee – and is an important promise to the outside world.

We all want to make a contribution to ensuring a successful long-term future for the Schaeffler Group. 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.

Thank you for your support.

Kind regards,

A handwritten signature in dark blue ink that reads "Klaus Rosenfeld". The signature is written in a cursive, flowing style.

Klaus Rosenfeld | CEO

## PREAMBLE

Fairness, mutual respect and integrity are the cornerstones within the Schaeffler Group upon which our actions are based. Schaeffler assumes its corporate responsibility and thereby creates the prerequisites for the sustained success of the company.

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 following code demonstrates the importance Schaeffler attaches to responsible corporate conduct.

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.

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# 1 BASIC BEHAVIORAL REQUIREMENTS

## 1.1 Transparency, trust and teamwork

Schaeffler wants to be a reliable partner. Schaeffler and its employees therefore act transparently towards shareholders, customers, and suppliers and also towards each other because transparency is a decisive factor for trust and successful teamwork.

Responsible collaboration requires actions and decisions that are transparent and comprehensible because only then will they be accepted.

For collaboration, transparency also means dealing with problems and errors in an open and honest manner.

## 1.2 Compliance with applicable laws

Schaeffler and its employees respect and comply with all applicable local, national and international laws and regulations, wherever Schaeffler does business. Compliance with these laws and regulations is a prerequisite for lasting corporate success. Violations can have severe consequences such as criminal convictions, fines and reputational damage.

Schaeffler does not tolerate such violations and expects its employees and business partners to conduct business according to applicable laws and regulations. Where national legal requirements are more restrictive than the rules applying at Schaeffler, these national legal requirements take precedence.

The basic principles described in this code constitute a minimum standard for Schaeffler and do not affect country-specific additions that are based on relevant cultural circumstances.





### 1.3 Respect for human rights

Respect for human rights is an integral part of our corporate responsibility. Schaeffler and its employees respect the dignity and individual rights of every employee and colleague as well as third parties with whom we do business.

### 1.4 Handling company assets with due care

Schaeffler takes great care to protect its company assets, including all physical and non-physical assets, such as computers, information systems and intellectual property. Generally, all company assets should be used for company purposes only.

Additionally, protected intellectual property includes any products and designs developed by Schaeffler employees for Schaeffler's use.

### 1.5 Avoidance of conflict of interests

Schaeffler expects loyalty and integrity from all its employees. This means that all employees will act solely in the interests of Schaeffler within the scope of their employment in the company. Private or personal business interests must not be allowed to interfere with or obstruct the business interests of Schaeffler.

A conflict of interest exists when actions or private interests interfere in any way – or even appear to interfere – with the interests of the company.



## 2 BEHAVIOR TOWARDS BUSINESS PARTNERS AND THIRD PARTIES

### 2.1 Integrity

Schaeffler and its employees act with integrity when dealing with others and also expect business partners (e.g. private or business customers, suppliers, agents and consultants) to observe relevant legal requirements.

Schaeffler will only do business with third parties that conduct business ethically and do not subject the company to criminal or other liability or cause Schaeffler reputational harm.

Schaeffler does not participate in any activities in connection with money laundering, nor will it facilitate or tolerate such activities.

### 2.2 Fair competition

Schaeffler stands for fair and undistorted competition. Schaeffler and its employees respect and follow the anti-trust provisions in the markets of which they are part.

In virtually all countries, laws and regulations prohibit relationships or arrangements with competitors, suppliers, distributors or dealers that may distort competition.

Schaeffler expects its employees to refrain from taking part in agreements or concerted practices with other companies that restrict competition or breach anti-trust laws.



### 2.3 Anti-corruption

Benefits are only permitted if they are received or offered in accordance with the Anti-Bribery and Anti-Corruption Guideline. This means that they have to be appropriate and transparent.

Offering a benefit in any form to a person in either the public or private sectors with the purpose of influencing them is prohibited. The same applies for accepting a benefit. Benefits and payments of any kind or offers of benefits and payments (such as gifts, invitations or discounts) to any public or government official or to representatives of such persons in order to promote company business are not permitted. Similarly, indirect payments, e.g. by business partners, are also not permitted.

The giving or receiving of gifts, invitations or any other form of benefits can influence the independence of Schaeffler's judgment or the judgment of its business partners.

All employees and representatives of Schaeffler must comply with anti-corruption laws in the countries in which Schaeffler does business. In addition, the Anti-Bribery and Anti-Corruption Guideline applies to all employees.

Care must be taken when requests or offers are made for sponsorship or donations because such payments can also be interpreted as bribery.

Schaeffler wants to avoid even the appearance that business decisions or economic success depend on improper benefits.

### 2.4 Trade controls

National and international laws regulate the import, export or domestic trade of goods, technology, services and the handling of specific products. Schaeffler must ensure that adequate procedures are used to ensure that transactions with third parties do not violate economic embargoes or trade regulations, import or export controls, or regulations for preventing the financing of terrorism.

All employees, especially those involved in import, export or domestic trade of goods, technology, services and the handling of specific products must comply with applicable laws and regulations.



## 3 HANDLING OF INFORMATION

### 3.1 Protection of confidential information

All managers and employees must protect all company information and treat it in the strictest confidence. This does not only apply to the company's own information but also to confidential information entrusted to Schaeffler by business partners and customers.

Managers and employees with insider information, i.e. specific confidential information that could have a potential influence on the price of listed securities, are not allowed to use this information for the trading of securities or other financial instruments, nor may they pass on insider information to third parties or use it for recommending the purchase or sale of securities and other financial instruments.

### 3.2 Compliance with data protection regulations

Schaeffler places great importance on protecting the personal data of its employees and business partners. Great care and sensitivity is shown when processing data relating to business partners or employees. Personal data is always handled according to the applicable data protection regulations. The checks and processes implemented at Schaeffler ensure the best possible protection of all sensitive data.



## 4 TREATMENT OF EMPLOYEES AND COLLEAGUES

### 4.1 Fair working conditions and employee development

Schaeffler 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 of its companies.

A great deal of importance is attached to the further development of employees at Schaeffler. Employees are the most valuable asset for the future of company and investment in their training is important.

With this in mind, Schaeffler provides a comprehensive training program, which offers every employee the opportunity to train according to his capabilities and professional interests, so far as these are consistent with the interests of the company.

The development of social and technical expertise is also highly valued at Schaeffler.

### 4.2 Diversity and the principle of equal treatment

Schaeffler works consistently to provide workplaces free of discrimination and harassment on the basis of gender, ethnic background, religion, age, disability or sexual orientation.

This diversity is promoted and respected without exception by Schaeffler. Employees in the Schaeffler corporate world deserve mutual respect.

Every person is entitled to fair and respectful treatment. Schaeffler is committed to a diverse working environment, in which each person's uniqueness is recognized and every individual is treated with courtesy, honesty and dignity. Harassment, bullying or intimidation is not tolerated.

### 4.3 Compatibility of work and family

As a family-owned company, Schaeffler strives to enhance the satisfaction and motivation of its employees and hence increase the performance of the company by means of family-friendly arrangements and provisions.

Schaeffler works with all employees and their representatives in a trusting manner. Schaeffler is committed to achieving a balance between the economic interests of the company and the interests of its employees. Trust is the solid foundation for successful cooperation in the interests of the company and the employees.

### 4.4 Rejection of forced and child labor

Schaeffler rejects any form of forced labor or child labor within the company. Schaeffler condemns any form of exploitation or discrimination and strictly complies with legal regulations.

### 4.5 Dialogue with employees and employee representatives

Schaeffler respects its employees' right to freedom of association. Irrespective of this right, Schaeffler always allows its employees to express their interests directly.

# 5 ENVIRONMENT, HEALTH AND SAFETY

## 5.1 Acting sustainably

The protection of the environment is an integral part of Schaeffler's corporate responsibility.

Schaeffler is committed to complying with all environmental regulations and standards applicable to its operations, and using environmentally conscious practices at all its locations. Environmental pollution is to be minimized and environmental protection will be continuously improved.

The protection of people and the environment against waste, waste water and exhaust gases resulting from industrial production processes and the operating business occurring before, during or up to the completion of transportation, disposal and recycling is a corporate responsibility. To ensure that this responsibility is met, Schaeffler has implemented systems that ensure the safety, control and measurability of all activities occurring in the areas of transportation, disposal and recycling, which could potentially have negative effects on human health and the environment.

Schaeffler is committed to implementing systems suitable for ensuring the effective control and measurability of these activities.

Every employee bears responsibility for reducing energy and water consumption, and the emission of greenhouse gases in all their activities.





## 5.2 Safe working environment

Schaeffler maintains a comprehensive EHS (Environment, Health and Safety) management system at all of its production facilities worldwide. Schaeffler attaches importance to complying with local environmental protection laws as well as international regulations across its locations and collaborates with business partners to ensure that they acknowledge and exercise their responsibility for the environment.

Schaeffler provides a safe working environment for its employees by meeting or exceeding applicable legal requirements or company guidelines with regard to occupational health and safety. Managers, in particular, have the task of ensuring that appropriate health and safety precautions and measures are in place to ensure compliance with the company's requirements.

All young employees must be protected from work that could endanger their health or safety.



## 6 REPORTING AND CONTACT PERSONS

### 6.1 Reporting of misconduct

At Schaeffler, employees will always find an open door and are encouraged to speak up freely and without fear of repressive measures. Reprisals against employees who express their concerns in good faith are forbidden.

The following contacts are available for employees and third parties.

### 6.2 Local contact persons

To clarify questions with regard to this 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 Audit department or employee representatives



### 6.3 Compliance & Corporate Security

In addition to the local contact persons mentioned, employees may also contact the Compliance & Corporate Security department directly.

**Germany:**

Compliance & Corporate Security  
Industriestraße 1–3  
91074 Herzogenaurach  
Phone +49 9132 82 2424  
compliance@schaeffler.com

### 6.4 Whistleblower system

Notifications about substantial violations of the Schaeffler Group Code of Conduct, specifically illegal business practices, can be made using the BKMS system at any time.

The system is available in a number of languages and allows a confidential and specially encrypted, secure dialogue with our investigation team in the Compliance department.

Link: <https://www.bkms-system.net/schaeffler>

Schaeffler will thoroughly investigate every report of misconduct according to the principle of proportionality. Every individual case will be examined. A comprehensible decision will be taken about any suitable, necessary and appropriate consequences according to the results of the investigation.

**Schaeffler AG**

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**SCHAEFFLER**