



Sustainable Procurement Policy

Sustainability is an integral part of Schaeffler's DNA. This includes identifying, managing, and optimizing the ecological, social, and economic effects in the supplier network. Supplier management now has to fulfill more than just the requirements of a globally interconnected world. Modern technologies require raw materials, which frequently come from critical regions of the world. Climate change and the increasing scarcity of resources are also affecting our supply chains. In this context, we have made it a key objective to achieve climate neutrality in our supply chains by 2040. As an intermediate objective, we want to achieve a 25% reduction in the CO₂ emissions in our supply chains by 2030.

Schaeffler works actively to prevent the infringement of human rights irrespective of whether the infringement is in connection with its own business activities or in connection with the business activities of its supplier network.

We want and must continue to pursue this path together with our suppliers and partners.

We identify potential high risk areas, provide impetus within our supplier network, and work closely with the relevant suppliers.

We intensify business relationships with our suppliers in order to further develop sustainable practices in their own organization and promote collaboration.

We discuss requirements with interest groups and customers and communicate with the supplier network in a proactive and targeted manner. This also includes a general understanding that reports from whistleblowers must be heeded. Reports can be sent to us anonymously via the whistleblowing system and will be given appropriate consideration in our business activities.

We comply with applicable environmental standards. We are committed to using energy efficient processes in the production chain, reducing greenhouse gas emissions, and making economical use of natural resources, and take measures for preventing waste and expect the same in our supplier network. Our commitment relates to the economical use of resources taking into account our "Zero waste to landfill" target and a comprehensive reduction in greenhouse gas emissions and the ecological footprint through the use of renewable energy sources. We do this by pursuing our

goal of "reduce-reuse-recycle" and use our own, certified product life cycle analyses for detailed analyses of our products, components, and services.

This supports our target of climate neutrality in the supply chain by 2040.

We respect human rights and fully uphold their observance and strictly reject all forms of forced labor and child labor. Employees at Schaeffler and in our supplier networks should have a workplace that is without danger to life and limb, any form of discrimination, violence or harassment. To this end, we observe all regulatory and legal requirements and regulations that apply in the respective country, wherever Schaeffler operates.

We define processes in our management system and set ourselves guidelines in order to transparently outline the requirements and expectations placed on us and the supplier network and regulate them in a binding manner. We support this through targets and action plans and actively achieve continuous improvement through our mindset.

Acceptance of the Schaeffler Supplier Code of Conduct in its most up-to-date version is a binding basis for a business relationship with all suppliers. Schaeffler's values and recommendations for the supplier network are also available in our policies at: www.schaeffler.com

Our sustainable procurement policy is communicated in the entire Schaeffler Group and is publicly accessible. The policy is regularly reviewed in order to assess its continued relevance and drive forward continuous improvements.

Andreas Schick
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Schaeffler AG

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