



MODERN SLAVERY STATEMENT

for the financial year 2019

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 groundbreaking 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.

As a global family business with a strong foundation in its values, respect for human rights is an indispensable part of corporate responsibility for Schaeffler. 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.

Schaeffler 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, Schaeffler is already shaping “mobility for tomorrow” to a significant degree.

The technology company generated sales of approximately EUR 14.4 billion in 2019. With more than 87,700 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 31,000 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 (UK) Ltd

Waleswood Road, Wales Bar, Sheffield, S26 5PN, UK Phone +44 1909 510500, Fax +44 1909 515151, www.schaeffler.com, Registered office: Waleswood Road, Wales Bar, Sheffield, England, S26 5PN. UK Registration No. 00556493 **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

Schaeffler supports these efforts with structured activities designed with long-term considerations in mind: Using a risk-based process, Schaeffler has developed policies and tools 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 measures to ensure the respect for human rights in our entire value chain. Some of them 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 a number of 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.

Risk evaluation and management process

Future activities aimed at systematically developing Due Diligence and sustainability in the supply chain also include the usage of questionnaires (e.g. the Drive Sustainability SAQ) for production material suppliers provided in cooperation with a platform service provider.

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 [Sustainability at Schaeffler](#).

This policy statement was approved for and on behalf of the Executive Board on 1st April 2020.

Signed by

A handwritten signature in blue ink, appearing to read 'G. Littlefair', written in a cursive style.

Greig Littlefair
Managing Director