SCHAEFFLER

Financial statements 2025

Schaeffler AG

Contents

* Part of the group management report.

Corporate Governance

Corporate governance declaration including corporate governance report

The corporate governance declaration required by sections 289f and 315d HGB has been combined for Schaeffler AG and the group. Therefore, the following discussion applies to Schaeffler AG and the group unless noted otherwise below. In the following corporate governance declaration, the Supervisory Board and the Board of Managing Directors report on the corporate governance of Schaeffler AG in accordance with Principle 23 of the German Corporate Governance Code.

Corporate governance stands for responsible management and control of companies focused on adding sustainable value. Efficient cooperation between the Board of Managing Directors and the Supervisory Board as well as openness and transparency in corporate and financial communications are key aspects of the Schaeffler Group's corporate governance.

Corporate governance declaration including corporate governance report, including the declaration of conformity pursuant to section 161 AktG at: www.schaeffler.com/en/investor-relations/corporate-governance/corporate-governance-declarations/

Declaration of conformity pursuant to section 161 AktG

In December 2025, the Board of Managing Directors and the Supervisory Board issued the following declaration of conformity pursuant to section 161 AktG:

Declaration of Conformity by the Board of Managing Directors and the Supervisory Board of Schaeffler AG pursuant to section 161 of the German Stock Corporation Act (AktG).

Since making its last declaration of conformity in December 2024 Schaeffler AG complies, and will continue to comply, with all the recommendations of the Government Commission on the German Corporate Governance Code in the version of April 28, 2022, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger), with the exception described below:

Schaeffler AG does not comply with the recommendation in section C.2 of the Code. According to this recommendation, an age limit shall be set for the members of the Supervisory Board and stated in the declaration on corporate governance.

The Supervisory Board of Schaeffler AG will not set such age limit because it is of the opinion that this criterion is not informative with respect to the suitability of a person to perform as a member of the Supervisory Board.

Herzogenaurach, December 19, 2025

For the Supervisory Board	For the Board of Managing Directors
Georg F. W. Schaeffler Chairman of the Supervisory Board	Klaus Rosenfeld Chief Executive Officer

Corporate governance principles

The Schaeffler Group's manner of conducting business is based on integrity, fairness, and mutual respect. The related leadership principles are transparency, trust, and teamwork. Transparency generates trust, and trust is the foundation of good teamwork. The Schaeffler Group's **Code of Conduct** provides guidance in this area. The principles set out in the Schaeffler Code of Conduct apply equally to everyone – the Board of Managing Directors, management, and all employees.

Integrity represents a fundamental component of the Schaeffler Group's business practices. Under the Schaeffler Code of Conduct, the Board of Managing Directors and all employees undertake to comply with the values and principles of conduct established as well as all applicable local, national, and international laws and regulations, wherever the Schaeffler Group has business activities.

The Schaeffler Code of Conduct reflects the increased legal and business partner requirements regarding responsible corporate governance and corporate due diligence. Along with the established compliance topics, the Schaeffler Code of Conduct focuses on integrity, values-based compliance, and respect for internationally recognized human rights.

In its business activities, the Schaeffler Group is intent on combining commercial success, a long-term focus, and awareness of the social and ecological aspects of the company's operations. Combining economic success with acting responsibly toward the environment, people, and society is very important to the

Schaeffler Group. The Schaeffler Group identifies with the corporate values “Sustainable”, “Innovative”, “Excellent”, and “Passionate”. These values form an important basis for the success of the Schaeffler Group for the benefit and in the interest of customers and business partners, employees and managers, as well as shareholders and family shareholders. In addition to the fundamental orientation toward sustainability in managing the business, a sustainability strategy comprising five fields of action along the dimensions of environment, social, and governance was adopted in 2025. In this manner, the Schaeffler Group is assuming ecological and social responsibility along the entire value chain. The sustainability strategy is reviewed regularly and amended as needed.

More on the company’s corporate governance principles at: www.schaeffler.com/sustainability

Mode of operation of the Board of Managing Directors and the Supervisory Board and membership and mode of operation of its committees

The German Stock Corporation Act requires Schaeffler AG to have a two-tier board with strict separation between the executive body, the Board of Managing Directors, and the supervisory body, the Supervisory Board, in terms of personnel and functions. The Board of Managing Directors has direct responsibility for managing the company. The members of the Board of Managing Directors are jointly responsible for managing the company. The Chief Executive Officer (CEO) coordinates the activities of the members of the Board of Managing Directors. The Supervisory Board appoints, supervises, and advises the Board of Managing Directors and is involved in decisions that are fundamental to the company. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board.

Board of Managing Directors

The Schaeffler Group is managed by the Board of Managing Directors of Schaeffler AG. Its actions and decisions are guided by the company’s best interest and, therefore, take into account the interests of shareholders, employees, and other stakeholders of the company in order to add long-term value. The members of the Board of Managing Directors run the business in accordance with the law, the company’s articles of association, and the terms of reference, taking into account the obligation to obtain approval set out in the Supervisory Board’s terms of reference. The Board of Managing Directors is directly responsible for managing the company, sets objectives and the company’s strategic direction, consults on them with the Supervisory Board, manages the implementation of the company’s strategy, and regularly discusses the status of its implementation with the Supervisory Board.

The Schaeffler Group’s corporate governance includes handling risks responsibly. Schaeffler AG’s Board of Managing Directors bears responsibility for an appropriate and effective risk management system and internal control system. The Schaeffler Group analyzes and manages its risk position using the groupwide internal control and risk management system in place. The risk management system is designed to identify and assess developments that could trigger significant disadvantages and to avoid risks that would jeopardize the company’s continued existence as a going concern. The internal control system consists of systematic, technological, and organizational rules for managing the company’s controls in order to ensure that internal policies are complied with and damage is prevented.

The Board of Managing Directors ensures that legal requirements and internal guidelines are complied with and promotes such compliance by group companies and their employees. It puts in place appropriate measures that are tailored to the company’s risk situation and discloses their main features. A whistleblowing system gives employees the opportunity, including appropriate protection, to report violations of the law within the company; this opportunity is also provided to third parties.

More on the governance systems on pp. i16 et seq.

The terms of reference of the Board of Managing Directors set out the activities of the Board of Managing Directors, the issues that are the responsibility of the Board of Managing Directors, the majorities required to pass resolutions, and the areas of responsibility of the various members of the Board of Managing Directors. Based on the Schaeffler Group’s organizational structure, the Board of Managing Directors consists of the Group CEO and the CEOs of the divisions and functions. Under the terms of reference, specific management responsibilities are assigned to each member of the Board of Managing Directors. Their responsibility for jointly managing the company remains unaffected. Each member of the Board of Managing Directors is directly responsible for his or her assigned area of responsibility, taking into account the joint responsibility of the Board of Managing Directors. The CEO has the lead in the overall management and business policy of the company. Klaus Rosenfeld has been the CEO of Schaeffler AG since October 1, 2014. In this role, he ensures the coordination and consistency of management within the Board of Managing Directors and represents the company to the general public.

Membership of the Board of Managing Directors

Section 76 (3a) AktG stipulates that the Board of Managing Directors of Schaeffler AG has to have at least one female and at least one male member (minimum participation requirement). Schaeffler AG has complied with this requirement in 2025.

Consistent with the group’s international stature and wide variety of sectors, the Board of Managing Directors considers diversity when making appointments to leadership positions. It aims to give appropriate consideration to women and has set targets for

the proportion of women within Schaeffler AG at the two levels of management immediately below the Board of Managing Directors in accordance with section 76 (4) AktG. At its meeting on March 25, 2024, the Board of Managing Directors set targets for the proportion of women of 18.5% at the first level and 30% at the second level of management immediately below the Board of Managing Directors for the period ending December 31, 2025.

As at December 31, 2025, the first level of Schaeffler AG management immediately below the Board of Managing Directors consists of 34 managers, including 7 women, representing a percentage of women of 20.6%. At the second level of Schaeffler AG management immediately below the Board of Managing Directors, 20 out of a total of 87 managers are women as at December 31, 2025, representing a percentage of women of 23.0%.

At its meeting on November 17, 2025, the Board of Managing Directors set a target for the proportion of women for the period ending December 31, 2030, of 21.2% at the first level and 22.1% at the second level of management immediately below the Board of Managing Directors.

More information in the sustainability statement on pp. 97 et seq.

In addition to considering the relevant technical qualifications, the Supervisory Board also strives for diversity when making appointments to the Board of Managing Directors, and adopted a diversity scheme in accordance with section 289f (2) (6) HGB for the Board of Managing Directors of Schaeffler AG at its meeting on December 15, 2017. The diversity criteria selected were gender, age, professional experience, and internationality:

- **Gender:** The Board of Managing Directors must have at least one female member. The company strives to increase the number of female members on the Board of Managing Directors beyond the legal minimum participation requirement in the long term.
- **Age:** The Board of Managing Directors should have an appropriate age distribution. Along with several younger members, this Board should also have members with a greater amount of professional and life experience. The company aims for an average age of all members of the Board of Managing Directors of approximately 55 years. Members may serve on the Board of Managing Directors until their 68th birthday. In making appointments to the Board of Managing Directors, consideration should be given to ensuring a balanced age distribution and increased consideration given to younger executives. The targets established were met in 2025. The ages of the members of the Board of Managing Directors currently range from 49 to 61 years, averaging 55 years.
- **Professional experience:** The members of the Board of Managing Directors should bring diverse professional experience to the Board. Along with sufficient professional background in the fields of engineering and business, they should also have additional professional experience, especially in fields relevant to the Schaeffler Group's future business, such as mechatronics, electrical engineering, digitalization, and IT. In making appointments to the Board of Managing Directors, consideration should be given to the candidates' education and training, professional career, and their current responsibilities. The targets established were met in 2025.
- **Internationality:** Sufficient international experience should be represented on the Board of Managing Directors to appropriately reflect the international nature of the Schaeffler Group's business. The members of the Board of Managing Directors should have different nationalities. The objective should be that all members of the Board of Managing Directors have experience working abroad and/or are experienced in international business. To be appointed to the Board of Managing Directors, a candidate must have international experience. As a result of the appointment of Christophe Hannequin, the Board of Managing Directors has had, since September 2025, one member with a non-German nationality who has professional experience in markets relevant to the Schaeffler Group. At the first and second level of management immediately below the Board of Managing Directors, the majority of employees should have experience working abroad and be experienced in international business. All members of the Board of Managing Directors are experienced in international business.

Together with the Board of Managing Directors, the Supervisory Board ensures that long-term succession planning is performed. To this end, the Supervisory Board considers potential candidates for the Board of Managing Directors on a regular basis. The Supervisory Board takes into account the diversity criteria described above when reviewing these candidates. The Supervisory Board involves the Chief Executive Officer except where his own succession is concerned.

More on the members of the Board of Managing Directors and any positions they hold on Supervisory Boards of other companies on pp. i13 et seq.

Supervisory Board

The Supervisory Board is responsible for advising and overseeing the Board of Managing Directors in managing the company. The Board of Managing Directors has to involve the Supervisory Board in any decisions that are fundamental to the company. Specifically, the Supervisory Board's terms of reference set out which legal transactions and measures taken by the Board of Managing Directors require approval by the Supervisory Board or the presidential committee. The Supervisory Board fulfills its responsibilities in accordance with the requirements of the law, the company's articles of association, and the terms of reference. The terms of reference of the Supervisory Board govern the Board's organization and activities.

The Supervisory Board appoints the members of the Board of Managing Directors and sets their remuneration.

More on the remuneration of the Board of Managing Directors in the separate remuneration report and the current remuneration system for the members of the Board of Managing Directors of Schaeffler AG at: www.schaeffler.com/remuneration

The Supervisory Board holds a minimum of two meetings during each of the first and second six months of the calendar year to discuss current issues and pass any resolutions required. Additional meetings are held when and if the interests of the company require. Where necessary, resolutions can also be passed in writing.

Membership of the Supervisory Board

The Supervisory Board of Schaeffler AG, which is subject to co-determination on the basis of parity under the German Co-Determination Act ("Mitbestimmungsgesetz" – MitbestG), consists of 20 members. Ten of these members are appointed by the annual general meeting, and ten members are elected by the employees in accordance with the requirements of the German Co-Determination Act. Of the shareholder representatives, Sabine Bendiek, Manfred Eibeck, Dr. Holger Engelmann, and Prof. TU Graz e.h. KR Ing. Siegfried Wolf have been appointed for a term ending at the close of the annual general meeting that decides on granting discharge to the Supervisory Board for 2028, and Georg F. W. Schaeffler, Susanne Heckelsberger, KR Joachim Hirsch, Robin J. Stalker, and Prof. Dr.-Ing. Tong Zhang for a term ending at the close of the annual general meeting that decides on granting discharge to the Supervisory Board for 2026. Ulrike Hasbargen has been appointed for a term ending at the close of the annual general meeting that decides on granting discharge to the Supervisory Board for 2025. The term of office of the employee representatives ends at the conclusion of the annual general meeting 2030.

Since Schaeffler AG is a publicly listed company subject to co-determination based on parity, its Supervisory Board consists of at least 30% female and at least 30% male members in accordance with section 96 (2) AktG.

The minimum target has to be met by the Supervisory Board as a whole. If either the shareholder representatives or the employee representatives object to such joint compliance by a simple majority vote, notifying the Chairman of the Supervisory Board of such objection before the election, the minimum target has to be met separately by the shareholder representatives as well as by the employee representatives for that election. The employee representatives unanimously objected to joint compliance on December 10, 2015, and most recently unanimously confirmed that decision on October 31, 2024. The Supervisory Board currently has six female members, with three women being employee representatives and three women representing the shareholders. As a result, the employee representatives and the shareholders' side both meet the legally required quota.

In accordance with Recommendation C.1 of the German Corporate Governance Code, the Supervisory Board has set the following concrete targets for its membership, considering the company's specific situation and appropriately taking into account the company's international operations, any potential conflicts of interest, the number of independent Supervisory Board members considered appropriate by the shareholder representatives on the Supervisory Board, and a set limit on the length of time a member may serve on the Supervisory Board, as well as diversity. The Supervisory Board has stated the following objectives for its membership:

- Members should have the knowledge, skills, and technical experience required to properly perform their duties and be able to devote sufficient time to these duties.
- The Supervisory Board aims to maintain the current proportion of members with an international background.
- Members of the Supervisory Board should not serve on the governing body of or in a consulting capacity to significant competitors of the Schaeffler Group.
- The Supervisory Board should not include more than two former members of the Board of Managing Directors.
- The Supervisory Board shall include at least five shareholder representatives who are independent of the company and its Board of Managing Directors, and independent from any controlling shareholder (according to Recommendation C.6 of the German Corporate Governance Code).

The Supervisory Board currently considers nine shareholder representatives to be independent from the company, its Board of Managing Directors, and its controlling shareholders; these are: Sabine Bendiek, Manfred Eibeck, Dr. Holger Engelmann, Ulrike Hasbargen, Susanne Heckelsberger, KR Joachim Hirsch, Robin Stalker, Prof. TU Graz e.h. KR Ing. Siegfried Wolf, and Prof. Dr.-Ing. Tong Zhang.

According to Recommendation C.7 of the German Corporate Governance Code, more than half of the shareholder representatives shall be independent from the company and the Board of Managing Directors. The Supervisory Board currently considers all shareholder representatives to be independent of the company and its Board of Managing Directors. Certain members of the Supervisory Board hold senior positions with other companies or hold shares, in some cases indirectly, in companies with

which the Schaeffler Group maintains relationships in the course of its ordinary business activities. The Supervisory Board believes that none of these relationships are significant.

According to Recommendation C.9 of the German Corporate Governance Code, if the company has a controlling shareholder and the Supervisory Board has more than six members, at least two of the shareholder representatives shall be independent from the controlling shareholder. The Supervisory Board currently considers nine shareholder representatives to be independent from the controlling shareholders; these are: Sabine Bendiek, Manfred Eibeck, Dr. Holger Engelmann, Ulrike Hasbargen, Susanne Heckelsberger, KR Joachim Hirsch, Robin Stalker, Prof. TU Graz e.h. KR Ing. Siegfried Wolf, and Prof. Dr.-Ing. Tong Zhang.

In addition to the objectives set out above, the Supervisory Board developed a profile of expertise for the Board as a whole at its meeting on December 15, 2017, and expanded that profile at its meetings on December 17, 2021, October 7, 2022, and most recently on December 13, 2024. According to this profile, the Supervisory Board should collectively cover the following areas of technical expertise:

- Knowledge/experience regarding the automotive and industrial sectors in which the Schaeffler divisions operate as well as the relevant products
- Knowledge/experience relevant to the company's geographic locations
- Knowledge/experience regarding research & development and digitalization
- Experience regarding business conduct and/or supervising companies
- Basic knowledge of stock corporation and corporate law and of compliance
- Financial expertise
- Expertise regarding the sustainability issues significant to the company
- Knowledge/experience regarding financial reporting, financial statement audits, risk management, and internal control procedures

The Supervisory Board requires expertise that is commensurate with the significance of sustainability issues for the company. This expertise need not be concentrated in one person. Relevant sub-aspects can be contributed by different members of the Supervisory Board. What is essential is that the Supervisory Board is sufficiently skilled, in particular, to oversee the incorporation of environmental and social sustainability in the strategic direction and corporate planning.

The audit committee should cover the following additional areas of technical expertise:

- At least one audit committee member is required to possess expert knowledge about financial reporting and at least one other audit committee member is required to possess expert knowledge about financial statement audits. The expert knowledge about financial reporting should consist of being particularly knowledgeable about and experienced in the application of accounting principles and risk management and internal control systems and the expert knowledge about financial statement audits should consist of being particularly knowledgeable about and experienced in financial statement audits. Financial reporting and financial statement audits also include the combined group non-financial declaration (sustainability statement) and limited assurance engagements on such declarations.
- The chairman of the audit committee shall have expert knowledge about at least one of these two fields. Furthermore, it is sufficient if an area of expertise is covered by at least one member of the Supervisory Board.

The profile of expertise assumes that every member of the Supervisory Board has the personal qualifications, integrity, sufficient time, commitment, and discretion required to successfully carry out the responsibilities of a member of the Supervisory Board.

The composition of the Supervisory Board during the year meets these objectives and covers the areas of expertise set out above. Proposals by the Supervisory Board to the annual general meeting for the election of shareholder representatives to the Supervisory Board will reflect these objectives and strive to cover the fields of expertise listed above. The extent to which the profile of expertise has been implemented is disclosed in the form of a qualifications matrix below.

Qualifications matrix – shareholder representatives

		Georg F. W. Schaeffler	Sabine Bendiek	Manfred Eibeck	Dr. Holger Engelmann	Ulrike Hasbargen [3]	Susanne Heckelsberger	KR Joachim Hirsch	Robin Stalker	Prof. Dr. KR Ing. Siegfried Wolf	Prof. Dr.-Ing. Tong Zhang
Member since		10/24/2014	04/24/2019	04/24/2025	12/01/2014	04/23/2021	04/24/2025	04/24/2025	12/01/2014	10/24/2014	12/01/2014
Personal suitability	Independence [1]		●	●	●	●	●	●	●	●	●
	No overboarding [1]	●	●	●	●	●	●	●	●	●	●
Diversity*	Gender	m	f	m	m	f	f	m	m	m	m
	Year of birth	1964	1966	1960	1965	1961	1964	1952	1958	1957	1960
	Nationality	German	German	German	German	German	German	German	New Zealand	Austrian	German
Sector and company-specific knowledge/ experience* [2]	Automotive sector/products	●		●	●			●		●	●
	Industrial sector/products	●						●			
	Research & development and digitalization		●	●				●			●
Company-specific international experience* [2]	Europe region	●	●	●	●	●	●	●	●	●	●
	Americas region	●				●		●		●	
	Greater China region										●
	Asia/Pacific region							●	●		
Business conduct and corporate governance	Experience regarding business conduct and/or supervising companies* [2]	●	●	●	●	●	●	●	●	●	●
	Basic knowledge of stock corporation and corporate law	●	●	●	●	●	●	●	●	●	●
	Basic knowledge of compliance*	●	●	●	●	●	●	●	●	●	●
	Financial expertise	●			●		●	●	●	●	
Sustainability*	Expertise regarding the sustainability issues significant to the company		●				●		●		
Risk control & reporting	Knowledge/experience [2] regarding financial reporting, financial statement audits, risk management, and internal control procedures	●			●	●	●	●	●		

[1] In accordance with the German Corporate Governance Code.
[2] "Knowledge of/experience in" means at least "good knowledge" and thus the ability to understand the relevant issues well and make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the course of work as a member of the Supervisory Board (for example, many years of service on the audit committee) or the training measures regularly attended by all members of the Supervisory Board.
[3] The Supervisory Board mandate ended on April 24, 2025, and was continued on May 21, 2025, due to appointment by a court.
● Criterion met, based on self-assessment by the Supervisory Board

The rows marked with an * in the Qualifications matrix – shareholder representatives table contain information supplemental to the sustainability statement with respect to ESRS 2 GOV-1 21 c, ESRS 2 GOV-1 23 a, and ESRS 2 G1 GOV-1 5 b, on pp. 42 et seq. and pp. 110 et seq.

Qualifications matrix – employee representatives

		Horst Ott	Grigore Beutura	Lisa Hinrichsen	Thomas Höhn	Michael Kicker	Antje Mütherig	Dr. Alexander Putz	Maja Reusch	Volker Robl	Ulrich Schöpplein
Member since		04/25/2024	04/24/2025	04/24/2025	05/08/2020	04/24/2025	04/24/2025	10/01/2022	04/24/2025	04/24/2025	03/26/2024
Diversity*	Gender	m	m	f	m	m	f	m	f	m	m
	Year of birth	1966	1979	1991	1979	1973	1969	1976	1985	1969	1974
	Nationality	German	German	German	German	German	German	German	German	German	German
Sector and company-specific knowledge/ experience* [1]	Automotive sector/products	●	●	●	●	●		●	●	●	●
	Industrial sector/products				●		●	●	●	●	●
	Research & development and digitalization					●					
Company-specific international experience* [1]	Europe region	●	●	●	●	●	●	●	●	●	●
	Americas region										
	Greater China region										
	Asia/Pacific region										
Business conduct and corporate governance	Experience regarding business conduct and/or supervising companies* [1]	●	●	●	●	●	●	●	●	●	●
	Basic knowledge of stock corporation and corporate law	●	●	●	●	●	●	●	●	●	●
	Basic knowledge of compliance*	●	●	●	●	●	●	●	●	●	●
	Financial expertise			●							
Sustainability*	Expertise regarding the sustainability issues significant to the company							●			
Risk control & reporting	Knowledge/experience [1] regarding financial reporting, financial statement audits, risk management, and internal control procedures			●	●						●

[1] "Knowledge of/experience in" means at least "good knowledge" and thus the ability to understand the relevant issues well and make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the course of work as a member of the Supervisory Board (for example, many years of service on the audit committee) or the training measures regularly attended by all members of the Supervisory Board.

● Criterion met, based on self-assessment by the Supervisory Board

The rows marked with an * in the Qualifications matrix – employee representatives table contain information supplemental to the sustainability statement with respect to ESRS 2 GOV-1 21 c, ESRS 2 GOV-1 23 a, and ESRS 2 G1 GOV-1 5 b, on pp. 42 et seq. and pp. 110 et seq.

The Supervisory Board had also adopted a diversity scheme in accordance with section 289f (2) (6) HGB for the Supervisory Board of Schaeffler AG on December 15, 2017. The diversity criteria selected were gender, professional experience, and internationality. These criteria are designed to ensure, in combination with the other criteria for the membership of the Supervisory Board, that the opinions and knowledge represented on the Supervisory Board are sufficiently diverse for the proper performance of its duties.

- **Gender:** Section 96 (2) AktG stipulates that the Supervisory Board has to consist of at least 30% female and at least 30% male members. The employee representatives unanimously objected to joint compliance with the gender quota on December 10, 2015, and most recently unanimously confirmed that decision on October 31, 2024. The Supervisory Board has six female members, with three women being employee representatives and three women representing the shareholders. As a result, the employee representatives' side and the shareholders' side meet the legally required quota.
- **Professional experience:** The members of the Supervisory Board should bring diverse professional experience to the Board. The Supervisory Board should have members with professional experience in fields that are relevant to the Schaeffler Group's business, especially to the group's future business in the fields of electric mobility and digitalization. Candidates' professional experience is to be taken into account when selecting the Supervisory Board's nominees for election to the Supervisory Board by the annual general meeting.
- **Internationality:** The Supervisory Board should have an appropriate number of members with an international background (descent, professional education, or work). This being the case for at least four of its members is considered adequate by the Supervisory Board. In addition, further members of the Supervisory Board should be experienced in international business. Internationality is to be taken into account when selecting the Supervisory Board's nominees for election by the annual general meeting.

Members of the Supervisory Board and their curricula vitae at: www.schaeffler.com/supervisory-board

The Supervisory Board as a whole has the knowledge, skills, and technical experience required to properly perform its duties. The Supervisory Board as a whole is familiar with the industries and sectors in which the Schaeffler Group operates, and it has the professional experience and internationality required under the diversity scheme. Conflicts of interest related to members of the Supervisory Board must be disclosed to the Supervisory Board immediately; there were no such conflicts of interest in 2025.

No member of the Supervisory Board currently serves on a governing body or in a consulting role with respect to a key competitor or has a personal relationship with a key competitor. No member of the Supervisory Board was previously a Managing Director of Schaeffler AG.

More on avoiding conflicts of interest on page i11.

The Supervisory Board has not set an age limit for its members, because it is of the opinion that this criterion is not informative with respect to the suitability of a person to perform as a member of the Supervisory Board. This deviation from the German Corporate Governance Code has been included in the declaration of conformity pursuant to section 161 AktG.

The Chairman of the Supervisory Board is elected by the Supervisory Board from among its members. He coordinates the activities of the Supervisory Board, chairs its meetings, and represents the Supervisory Board externally. As suggested in Suggestion A.6 of the German Corporate Governance Code, the Chairman of the Supervisory Board is available for discussions with investors, in close coordination with the Board of Managing Directors and focusing on Supervisory Board-related issues.

Membership and mode of operation of Supervisory Board committees

Under its terms of reference, the Supervisory Board establishes a total of five committees.

The mediation committee established in accordance with sections 27 (3) and 31 (3) MitbestG is responsible for proposing to the Supervisory Board a candidate for appointment to the Board of Managing Directors if the two-thirds majority required for an appointment was not obtained initially. The members of the mediation committee are Georg F. W. Schaeffler (chairman), Horst Ott, Ulrich Schöpplein, and Prof. TU Graz e.h. KR Ing. Siegfried Wolf.

The presidential committee consists of Georg F. W. Schaeffler (chairman), Sabine Bendiek, Thomas Höhn (since February 4, 2025), Horst Ott, Ulrich Schöpplein, and Prof. TU Graz e.h. KR Ing. Siegfried Wolf. The presidential committee advises and assists the Chairman of the Supervisory Board and his Deputies in their Supervisory Board responsibilities. It prepares the meetings of the Supervisory Board. Another significant responsibility of the presidential committee is preparing personnel decisions to be made by the Supervisory Board. It makes recommendations regarding new appointments or reappointments to and dismissals from the Board of Managing Directors. It also prepares the Supervisory Board's decision regarding the remuneration system and individual remuneration of the members of the Board of Managing Directors. In addition, the presidential committee passes resolutions regarding the approval of certain legal transactions and measures specified in the Supervisory Board's terms of reference on behalf of the Supervisory Board, to the extent such delegation is not prohibited by section 107 (3) (7) AktG.

The members of the audit committee are Robin Stalker (chairman), Dr. Holger Engelmann, Thomas Höhn, Lisa Hinrichsen, Maja Reusch (both since April 24, 2025), and Georg F. W. Schaeffler. The former members Susanne Lau and Ulrich Schöpplein left effective April 24, 2025. The audit committee mainly deals with the review of the company's financial reports, monitoring the

financial reporting process, effectiveness of the internal control system, the risk management system, and the internal audit system, as well as with the financial statement audit and compliance. It is responsible for preparing the Supervisory Board's decision on adoption of the separate financial statements and approval of the consolidated financial statements. For this purpose, it is responsible for the preliminary review of the separate and consolidated financial statements, the combined management report and the group management report, the proposal for the appropriation of earnings, and for discussing the long-form audit report with the auditors. It is also responsible for the preliminary review of the non-financial report as well as the preliminary review of the report on relations with affiliated companies and for preparing the Supervisory Board's nomination of the auditors to be appointed by the annual general meeting.

The audit committee makes a recommendation to the Supervisory Board regarding auditors to be appointed, together with its reasons for the recommendation; where the audit has been put out to tender, the recommendation includes at least two candidates. On behalf of the Supervisory Board, the audit committee engages the auditors, determines the areas of focus for the audit, and agrees the audit fees with the auditors. In addition, the audit committee monitors the independence of the external auditors and, as such, is responsible for approving engagements for non-audit services. The audit committee also monitors the qualifications and efficiency of the auditors as well as the rotation of audit team members and evaluates the quality of the financial statement audit as well as the services of the auditors including additional services they have rendered.

The audit committee discusses the assessment of audit risk, the audit strategy and audit planning as well as the results of the audit with the auditors. The chairman of the audit committee regularly discusses the progress of the audit with the auditors and reports to the committee on this. The audit committee regularly consults with the auditors, both with and without the Board of Managing Directors.

On behalf of the Supervisory Board, the audit committee is responsible for awarding the limited assurance engagement on the non-financial report. On behalf of the Supervisory Board, the audit committee advises and oversees the Board of Managing Directors regarding financial reporting, the financial reporting process, the effectiveness of the internal control system, the risk management system, Internal Audit, the financial statement audit, and compliance.

The chairman of the audit committee must be independent and can be neither a former member of the Board of Managing Directors nor the Chairman of the Supervisory Board. The chairman of the audit committee, Robin Stalker, meets these requirements. The audit committee is required to include at least one member of the Supervisory Board possessing expert knowledge about financial statement audits and at least one other member possessing expert knowledge about financial reporting. The expert knowledge about financial reporting should consist of being particularly knowledgeable about and experienced in the application of accounting principles as well as of risk management and internal control systems and the expert knowledge about financial statement audits should consist of being particularly knowledgeable about and experienced in financial statement audits. Financial reporting and financial statement audits also include sustainability statements and limited assurance engagements on such sustainability statements. The chairman of the audit committee shall have expert knowledge about at least one of these two fields.

The chairman of the audit committee, Robin Stalker, is particularly knowledgeable about and has many years of experience with financial statement audits as he is a former auditor, served as chief financial officer of a publicly listed company with operations worldwide (adidas AG) for many years and has served on audit committees of publicly listed companies (Schaeffler AG and Commerzbank AG) for many years. These activities have also rendered him particularly knowledgeable about and experienced in the application of accounting principles as well as of risk management and internal control systems and, hence, he additionally has expert knowledge about financial reporting. Robin Stalker keeps up with current developments in the fields of sustainability statements and limited assurance engagement on such statements and actively contributes his expertise to the work of the audit committee and the Supervisory Board.

In the course of his professional career, Dr. Holger Engelmann served as chief financial officer of Webasto AG (now Webasto SE) and was chairman of the Management Board of Webasto SE for more than ten years. Additionally, he has served on the audit committee of Schaeffler AG for many years. These activities have rendered Dr. Engelmann particularly knowledgeable about and experienced in the application of accounting principles as well as of risk management and internal control systems and he actively contributes this knowledge and experience to the work of the audit committee and the Supervisory Board.

The nomination committee proposes to the Supervisory Board candidates suitable as nominees for election to the Supervisory Board by the annual general meeting. The members of the nomination committee are Georg F. W. Schaeffler (chairman), Sabine Bendiek (since April 24, 2025), Dr. Holger Engelmann, and Robin Stalker (since May 23, 2025). The former members Prof. Dr. Bernd Gottschalk and Prof. h.c. Katherina Reiche left effective April 24, 2025, and April 28, 2025, respectively.

The technology committee consists of Prof. TU Graz e.h. KR Ing. Siegfried Wolf (chairman since April 24, 2025), Grigore Beutura (since April 24, 2025), Manfred Eibeck (since May 23, 2025), Michael Kicker (since April 24, 2025), Horst Ott, Volker Robl (since April 24, 2025), Georg F. W. Schaeffler, and Prof. Dr.-Ing. Tong Zhang. The former members Prof. Dr. Hans-Jörg Bullinger, Jürgen Schenk, Ulrich Schöpplein, and Markus Zirkel left effective April 24, 2025. Prof. h.c. Katherina Reiche was a member from April 24 to April 28, 2025. The technology committee serves as a forum for the regular exchange of information between the Supervisory Board and the Board of Managing Directors regarding technological developments relevant to the Schaeffler Group and for jointly deliberating on technology projects.

In certain cases, the Supervisory Board may establish a committee for transactions with related parties in accordance with section 107 (3) (4) AktG to decide on the approval of transactions with related parties in accordance with sections 111a to 111c AktG in place of the Supervisory Board. The committee for transactions with related parties consists of six members, of which half are elected based on nominations by the shareholder representatives and half based on nominations by the employee representatives on the Supervisory Board.

Self-assessment of the Supervisory Board and its committees

The Supervisory Board assesses, at regular intervals, how effectively the Supervisory Board as a whole and its committees fulfill their tasks. The self-assessment involves asking the members of the Supervisory Board to provide assessments regarding issues relating to the categories of structure and function, meetings, preliminary discussions, supply of information, role of the Chairman of the Supervisory Board, working on committees, and issues regarding the Board of Managing Directors. Individual assessments are consolidated by an independent party and evaluated by the Supervisory Board. The most recent self-assessment was performed in the first quarter of 2025.

Cooperation between Board of Managing Directors and Supervisory Board

The Board of Managing Directors and the Supervisory Board cooperate closely for the good of the company. Thus, the Board of Managing Directors confers with the Supervisory Board on the strategic direction of the company and regularly discusses the status of strategy implementation with the Supervisory Board.

On a regular basis, the Board of Managing Directors provides comprehensive and timely information to the Supervisory Board on all matters of relevance to the company with respect to strategy implementation, planning and budgeting, results of operations, risk management, and compliance. It discusses deviations of results of operations from budgets and targets, and the reasons for those deviations. Documents required for decisions, especially the separate financial statements, the consolidated financial statements, and the long-form audit report, are provided to the members of the Supervisory Board in due time. The Board of Managing Directors is required to submit any fundamental legal transactions and measures to the Supervisory Board or the presidential committee for approval. The cooperation between the Board of Managing Directors and the Supervisory Board is characterized by mutual trust and a culture of open discussion as well as maintaining strict confidentiality.

The Chairman of the Supervisory Board regularly keeps in contact with the Board of Managing Directors, particularly with the Chief Executive Officer, between meetings as well, and discusses with him issues including those related to the company's strategy implementation, planning and budgeting, results of operations, risk management, and compliance. The Chief Executive Officer immediately informs the Chairman of the Supervisory Board of important events significant to evaluating the company's situation and development as well as for managing the company.

Avoiding conflicts of interest

The members of the Supervisory Board are required to immediately disclose any conflict of interest to the Chairman of the Supervisory Board. The members of the Board of Managing Directors are required to disclose any conflicts of interest to the Chairman of the Supervisory Board and the Chief Executive Officer and to inform the other members of the Board of Managing Directors. Significant transactions between the company and members of the Board of Managing Directors or parties related to them require the Supervisory Board's approval. Consulting and other service contracts as well as contracts for specific deliverables between the company and members of the Supervisory Board also require approval by the Supervisory Board. The Supervisory Board reports to the annual general meeting on any conflicts of interest and their resolution. Material conflicts of interest involving a member of the Supervisory Board that are not merely temporary shall result in the termination of that member's Supervisory Board mandate. Neither the members of the Board of Managing Directors nor those of the Supervisory Board have experienced any conflicts of interest in 2025.

Other information on corporate governance

Transparency

The company provides information on the situation of the company at the same time and on an equal footing to institutional investors, shareholders, financial analysts, business partners, employees, and the interested public by regular, transparent, and up-to-date communication. All significant information, such as ad hoc releases and press releases, as well as presentations given at analysts' conferences, all financial reports, and the financial calendar are published on the Schaeffler Group's website. Investor Relations maintains close contact with shareholders on an ongoing basis, among others.

Relationships with shareholders and annual general meeting

The company's shareholders exercise their voting and control rights at the annual general meeting. The annual general meeting, which must be held in the first eight months of every fiscal year, decides on all matters assigned to it by law, such as appropriation of profits, electing shareholder representatives to the Supervisory Board, granting discharge to the members of the Supervisory Board and the Board of Managing Directors, appointing auditors, and amending the company's articles of association.

On April 24, 2025, the annual general meeting passed a resolution approving the conversion of the bearer shares into registered shares which took place in late June 2025.

Each share of Schaeffler AG entitles the holder to one vote. There are no shares conferring multiple or preferential voting rights and no caps on voting rights.

All shareholders who register within the prescribed deadline and prove their entitlement to attend the annual general meeting and to exercise their voting rights are entitled to attend the annual general meeting. To facilitate the exercise of their rights and to prepare them for the annual general meeting, the shareholders are provided with comprehensive information about the past fiscal year and the items on the agenda before the annual general meeting by means of the annual report and the invitation to the annual general meeting. All documents and information on the annual general meeting, including the annual report, are published on the company's website.

The opening of the annual general meeting and the speech by the CEO can be followed live online under the heading Investor Relations on the company's website. To make it easier for shareholders to exercise their rights, the company offers all shareholders who cannot or do not want to exercise their voting rights themselves the opportunity to vote at the annual general meeting via a proxy who is bound by instructions.

Financial reporting and financial statement audit

The main source of information for shareholders and third parties are the consolidated financial statements and the group management report as well as interim financial information.

Schaeffler AG compiles its separate financial statements in accordance with the requirements of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The group management report of Schaeffler AG includes a combined group non-financial declaration disclosing required non-financial information for both the Schaeffler Group and Schaeffler AG. The consolidated financial statements are prepared by the Board of Managing Directors in accordance with the principles set out in International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of the HGB, and are audited by the auditors and reviewed by the Supervisory Board. Before any interim financial information is made public, the Board of Managing Directors discusses such information with the Supervisory Board or the audit committee. The consolidated financial statements and the group management report are made publicly available within 90 days of year-end; mandatory interim financial information within 45 days of the end of the reporting period.

In addition, the consolidated financial statements include a discussion of transactions with shareholders considered related parties under applicable financial reporting standards.

It has been agreed with Schaeffler AG's auditors that the Chairman of the Supervisory Board and the chairman of the audit committee are informed promptly of any grounds for disqualification or indications of bias arising during the audit to the extent they are not remedied immediately. It has also been agreed that the auditors report promptly on all findings and events coming to their attention during the performance of their audit that are significant to the responsibilities of the Supervisory Board. Under the agreement, the auditors have to inform the Supervisory Board and note in their long-form audit report if, during the course of the audit, they become aware of any facts rendering the declarations on the German Corporate Governance Code issued by the Board of Managing Directors and the Supervisory Board inaccurate. The audit committee monitors the auditors' independence.

Members of the Board of Managing Directors and the Supervisory Board

Board of Managing Directors

Klaus Rosenfeld
Chief Executive Officer

Appointed: October 24, 2014
Term of office ends: June 30, 2029
Seats on supervisory and similar boards: member of the Supervisory Board of AUMOVIO SE, Frankfurt/Main; member of the Supervisory Board of Continental AG, Hanover; Supervisor of Schaeffler Holding (China) Co. Ltd., Shanghai, China; member of the Advisory Board of Schaeffler Immobilien AG & Co. KG, Herzogenaurach (until October 21, 2025)

Dr. Astrid Fontaine
Chief Human Resources Officer

Appointed: January 1, 2024
Term of office ends: December 31, 2026
Seats on supervisory and similar boards: member of the Advisory Board of Schaeffler Consulting GmbH, Herzogenaurach

Christophe Hannequin (since September 1, 2025)
Chief Financial Officer

Appointed: September 1, 2025
Term of office ends: August 31, 2028
Seats on supervisory and similar boards: member of the Advisory Board of Schaeffler Immobilien AG & Co. KG, Herzogenaurach

Andreas Schick
Chief Operating Officer

Appointed: April 1, 2018
Term of office ends: March 31, 2026
Seats on supervisory and similar boards: member of the Supervisory Board of SupplyOn AG, Hallbergmoos; member of the Advisory Board of Schaeffler Immobilien AG & Co. KG, Herzogenaurach (until October 21, 2025); member of the Board of Directors of Schaeffler India Ltd., Pune, India

Jens Schüler
CEO Vehicle Lifetime Solutions

Appointed: January 1, 2022
Term of office ends: December 31, 2029
Seats on supervisory and similar boards: member of the shareholder committee of Caruso GmbH, Mannheim; member of the shareholder committee of TecAlliance GmbH, Ismaning; chairman of the Advisory Board of Partslife GmbH, Neu-Isenburg; member of the Board of Directors of Schaeffler India Ltd., Pune, India

Thomas Stierle
CEO E-Mobility

Appointed: October 1, 2024
Term of office ends: September 30, 2027

Uwe Wagner
Chief Technology Officer

Appointed: October 1, 2019
Term of office ends: September 30, 2027
Seats on supervisory and similar boards: member of the Advisory Board of Compact Dynamics GmbH, Starnberg (until April 14, 2025); member of the Advisory Board of Schaeffler ByWire Technologie GmbH & Co. KG, Herzogenaurach (until February 12, 2025); member of the Advisory Board of Xtronic GmbH, Boeblingen

Sascha Zaps
CEO Bearings & Industrial Solutions

Appointed: May 1, 2024
Term of office ends: April 30, 2027

Matthias Zink
CEO Powertrain & Chassis

Appointed: January 1, 2017
Term of office ends: December 31, 2029
Seats on supervisory and similar boards: chairman of the Advisory Board of Schaeffler ByWire Technologie GmbH & Co. KG, Herzogenaurach (until February 12, 2025); Supervisor of Schaeffler (China) Co., Ltd., Taicang, China

The following member left the Board of Managing Directors in 2025

Claus Bauer (until August 31, 2025)
Chief Financial Officer

Appointed: September 1, 2021
Term of office ended: August 31, 2025
Seats on supervisory and similar boards: member of the Advisory Board of Schaeffler Immobilien AG & Co. KG, Herzogenaurach (until August 31, 2025)

More on the functions and divisions on pp. 2 et seq.

Supervisory Board

Georg F. W. Schaeffler
Shareholder of INA-Holding Schaeffler GmbH & Co. KG
Chairman of the Supervisory Board of Schaeffler AG

Appointed: October 24, 2014
Seats on supervisory and similar boards: member of the Advisory Board of ATESTEO Management GmbH, Herzogenaurach; member of the Supervisory Board of AUMOVIO SE, Frankfurt/Main; member of the Supervisory Board of Continental AG, Hanover

Horst Ott*
Regional Director of IG Metall Bavaria
Deputy Chairman of the Supervisory Board of Schaeffler AG

Appointed: April 25, 2024
Seats on supervisory and similar boards: member of the Supervisory Board of BMW AG, Munich

Sabine Bendiek
Senior advisor

Appointed: April 24, 2019
Seats on supervisory and similar boards: member of the Supervisory Board of DSV-Global Transport and Logistics, Denmark; member of the Board of Directors of HBX Group, Spain; Chairwoman of the board of directors of Sensio AS, Norway; member of the Advisory Board of Sunlight Group Energy Storage Systems Industrial and Commercial Single Member Société Anonyme, Athens, Greece; member of the Supervisory Board of Suse S.A., Luxemburg; member of the Advisory Board of Vistra Ltd., Singapore

Grigore Beutura* (since April 24, 2025)
Deputy Chairman of the Works Council
Schaeffler Technologies AG & Co. KG
Deputy Chairman of the Group Works Council Schaeffler AG
Member of the European Works Council of Schaeffler AG

Appointed: April 24, 2025

Manfred Eibeck (since April 24, 2025)
Investor and consultant

Appointed: April 24, 2025
Seats on supervisory and similar boards: member of the Advisory Board of Binz Automotive GmbH, Ilmenau; member of the Supervisory Board of CMBlu Energy AG, Alzenau; Deputy Chairman of the Supervisory Board of Steyr Automotive GmbH, Steyr, Austria

Dr. Holger Engelmann
Supervisory Board member, senior adviser

Appointed: December 1, 2014

Ulrike Hasbargen (until April 24, 2025; since May 21, 2025)
Tax consultant/auditor

Appointed: April 23, 2021 until April 24, 2025, reappointed on May 21, 2025
Seats on supervisory and similar boards: member of the Supervisory Board of EY Deutschland GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart; member of the Supervisory Board of EY Verwaltungs-GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart

Susanne Heckelsberger (since April 24, 2025)
Consultant, interim manager, Supervisory Board member

Appointed: April 24, 2025
Seats on supervisory and similar boards: member of the Supervisory Board and Chairwoman of the audit committee of Stabilus SE, Frankfurt/Main; member of the Supervisory Board and Chairwoman of the audit committee of Villeroy & Boch AG, Mettlach; member of the Supervisory Board and Chairwoman of the audit committee of Washtec AG, Augsburg (since May 13, 2025)

Lisa Hinrichsen* (since April 24, 2025)
Deputy Chairwoman of the Works Council,
Vitesco Technologies GmbH Nuremberg

Appointed: April 24, 2025

KR Joachim Hirsch (since April 24, 2025)
Business consultant

Appointed: April 24, 2025

Thomas Höhn*
1st authorized representative IG Metall Schweinfurt

Appointed: May 8, 2020

Michael Kicker* (since April 24, 2025)
Member of the Works Council Vitesco Technologies GmbH
Regensburg plant
Manufacturing technology engineer

Appointed: April 24, 2025

Antje Mütherig* (since April 24, 2025)
Exempt works council representative

Appointed: April 24, 2025

Dr. Alexander Putz*
Plant manager Herzogenaurach

Appointed: October 1, 2022

Maja Reusch* (since January 8, 2025)
1st authorized representative IG Metall – Offenburg office

Appointed: January 8, 2025
Seats on supervisory and similar boards: member of the Supervisory Board of Grohe AG, Hemer

Volker Robl* (since April 24, 2025)
Chairman of the Works Council Buehl plant
Member of the Group Works Council Schaeffler AG
Deputy spokesperson of the Economic Committee Group Works Council

Appointed: April 24, 2025

* Employee representative on the Supervisory Board.

Ulrich Schöpplein*
Deputy Chairman of the Works Council Schaeffler Technologies AG & Co. KG Schweinfurt plant
Chairman of the Group Works Council Schaeffler Technologies AG & Co. KG
Deputy Chairman of the European Works Council of Schaeffler AG

Appointed: March 26, 2024

Robin Stalker
Chartered Accountant

Appointed: December 1, 2014
Seats on supervisory and similar boards: member of the Supervisory Board of AUMOVIO SE, Frankfurt/Main; member of the Supervisory Board of Hugo Boss AG, Metzingen (until May 15, 2025); Deputy Chairman of the Supervisory Board of Schmitz Cargobull AG, Horstmar

Prof. TU Graz e.h. KR Ing. Siegfried Wolf
Entrepreneur

Appointed: October 24, 2014
Seats on supervisory and similar boards: member of the Supervisory Board of Miba AG, Laakirchen, Austria; member of the Supervisory Board of Mitterbauer Beteiligungs-AG, Laakirchen, Austria; member of the Supervisory Board of Porsche Automobil Holding SE, Stuttgart; Chairman of the Supervisory Board of Steyr Automotive GmbH, Steyr, Austria;

Prof. Dr.-Ing. Tong Zhang
Director of Institute of Fuel Cell Vehicle Technology, Yangze Delta Regional Institute of Tsinghua University

Appointed: December 1, 2014
Seats on supervisory and similar boards: Chairman of the Board of Directors of D.R. (Zhejiang) Powertrain Technology Co., Ltd., Jiaxing, China; Independent director of Zhejiang Tieliu Clutch Co., Ltd., Hangzhou, China

The following members left the Supervisory Board in 2025

Prof. Dr. Hans-Jörg Bullinger (until April 24, 2025)
CEO Fraunhofer Foundation

Appointed: December 1, 2014
Seats on supervisory and similar boards: member of the Supervisory Board of Bauerfeind AG, Zeulenroda-Triebes; member of the Supervisory Board of Bilz AG, Leonberg

Prof. Dr. Bernd Gottschalk (until April 24, 2025)
Owner and Managing Partner of AutoValue GmbH

Appointed: December 1, 2014
Seats on supervisory and similar boards: member of the management board of AEye, Inc., Dublin, U.S.; member of the Supervisory Board of BENTELER International Austria GmbH, Salzburg, Austria; member of the Supervisory Board of OPmobility SE, Levallois-Perret, France

Hanna Köhler* (until April 24, 2025)
Chair of the Works Council Schaeffler Technologies AG & Co. KG

Appointed: December 9, 2024

Susanne Lau* (until April 24, 2025)
Industrial management assistant
Chairwoman of the Works Council Hamburg

Appointed: August 8, 2018

Jürgen Schenk* (until April 24, 2025)
Chairman of the General Works Council Schweinfurt

Appointed: May 8, 2020

Helga Schönhoff* (until April 24, 2025)
Member of the Works Council Schaeffler Automotive Bühl GmbH & Co. KG

Appointed: May 8, 2020

Markus Zirkel* (until April 24, 2025)
Chairman of the Works Council Hirschaid

Appointed: May 8, 2020
Seats on supervisory and similar boards: member of the Supervisory Board of VR-Bank Bamberg Forchheim eG, Bamberg

Prof. h.c. Katherina Reiche (until April 28, 2025)
Federal Minister for Economic Affairs and Energy

Appointed: April 20, 2023
Seats on supervisory and similar boards: member of the Supervisory Board of DEW21 GmbH, Dortmund (until May 2025); Deputy Chairwoman of the Supervisory Board of NEW AG (until April 30, 2025), Moenchengladbach; member of the Supervisory Board of RheinEnergie AG, Cologne (until May 2025); member of the Board of Directors of VGP NV, Antwerp, Belgium (until April 30, 2025)

* Employee representative on the Supervisory Board.

Governance systems

The Schaeffler Group's governance systems comprise the risk management system and the internal control system as well as the compliance management system which represents an integral component of these systems' structure. The governance systems are complemented by Internal Audit.

The interaction of these components is based on the internationally recognized **Three Lines Model**.

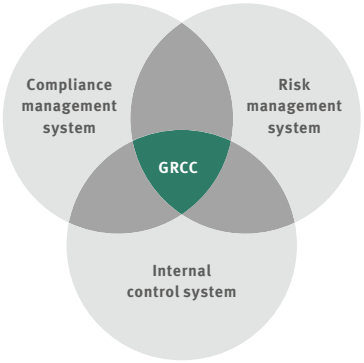
First line: The operative business units are responsible for establishing measures required to achieve objectives and for appropriately managing the risks within the assigned responsibilities. It is imperative that individual risks potentially jeopardizing the continued existence of the company are avoided. Any relevant risks have to be identified and managed using appropriate measures. These include controls established in the business processes to test the effectiveness of risk mitigation measures.

Second line: The risk management system, the internal control system, and the compliance management system form the second line. The responsible departments support and oversee the first line in fulfilling its responsibilities.

Third line: Internal Audit provides independent and objective assurance and advice on all matters related to the achievement of objectives.

The Governance, Risk & Compliance Committee (GRCC) is responsible for monitoring and managing high-level governance, risk, and compliance management requirements and for implementing the appropriate relevant actions. In this manner, it assists the Board of Managing Directors in meeting its due diligence obligations. The GRCC is co-chaired by the CEO and the CFO, who both represent the committee on the Board of Managing Directors as well as on the Supervisory Board.

Comprehensive approach of the Governance, Risk & Compliance Committee (GRCC)



Risk management system

The Schaeffler Group's risk management system is part of the second line of its governance structure. It is based on the management-oriented enterprise risk management (ERM) approach, which in turn has its basis in the globally recognized framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

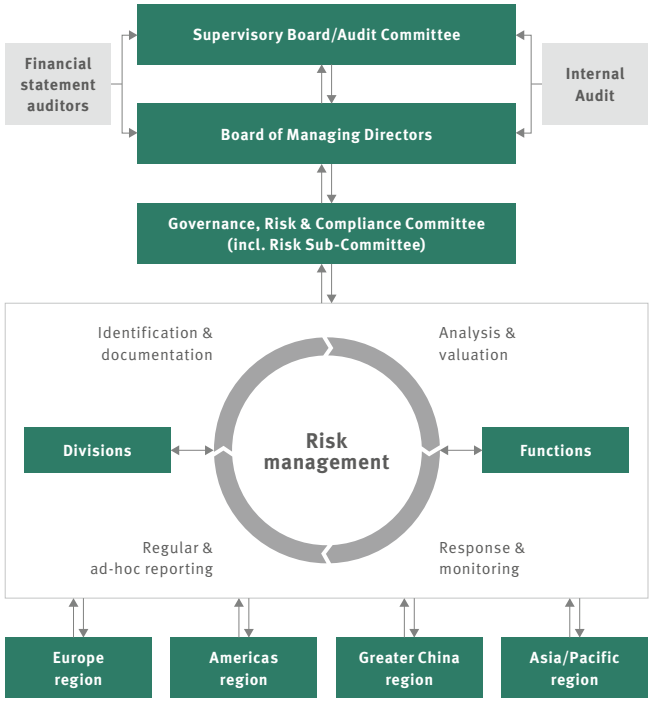
The Schaeffler Group's risk management system is aimed at identifying, assessing, and managing risks and opportunities in accordance with the company's risk strategy on a timely basis. The Schaeffler Group's risk strategy calls for the group to judiciously take on calculated business risks in order to execute the company's strategy and take advantage of the related opportunities. It is imperative to avoid both individual risks potentially jeopardizing the continued existence of the company and compliance violations.

The Schaeffler Group defines risks as potential future developments or events that can lead to adverse deviations from budgeted results. The company considers the impact of the risks on its EBIT (earnings) and free cash flow (financial position). Opportunities, on the other hand, are defined as future developments or events that can have a more favorable impact on the success of the business than planned.

The company aims to identify risks to its continued existence as a going concern and to its development, in particular, on a timely basis to be able to appropriately respond to these risks. For the Schaeffler Group, risks potentially jeopardizing the continued existence of the company are defined as risks that, individually or in the aggregate, can potentially result in insolvency. The risk tolerance is the maximum amount of risk the company can bear without jeopardizing its continued existence over time.

Responsibility for the risk management system rests with the Board of Managing Directors of Schaeffler AG, who has asked the Risk Management & Internal Control System department to review and enhance the risk management system on an ongoing basis. A groupwide risk management policy is in place that governs the structure of the risk management system and the related processes.

Structure of risk management system



As part of its oversight function, the audit committee addresses the effectiveness of the risk management system. Internal Audit regularly audits the appropriateness and effectiveness of the risk management system.

The Schaeffler Group's risk management system is based on a multi-phase process spanning various areas of the company which ensures comprehensive coverage of the three-dimensional organizational and leadership structure consisting of divisions, functions, and regions.

As a first step of the risk identification process, risks are identified and analyzed at the subsidiary level and, in selected risk categories, at division and function level using a bottom-up approach. Once bottom-up identification is complete, the appropriate corporate management of the divisions and corporate functions assess these risks from a top-down perspective, taking into account factors such as the interdependence of risks across the entire Schaeffler Group; they can also add risks. Identified risks are actively managed to achieve the intended level of risk mitigation. Risks are managed where they arise.

Subsidiaries are selected for inclusion based on a defined process that takes into account revenue, EBIT, non-current assets, and risk factors specific to the business. This ensures that all Schaeffler Group subsidiaries that are relevant from a materiality perspective are included in the risk management system. In 2025, 50 of 199 Schaeffler Group entities were included, representing 90.5% of revenue. The remaining subsidiaries are subject to an abbreviated process ensuring that all risks to the existence of the company as a going concern are identified.

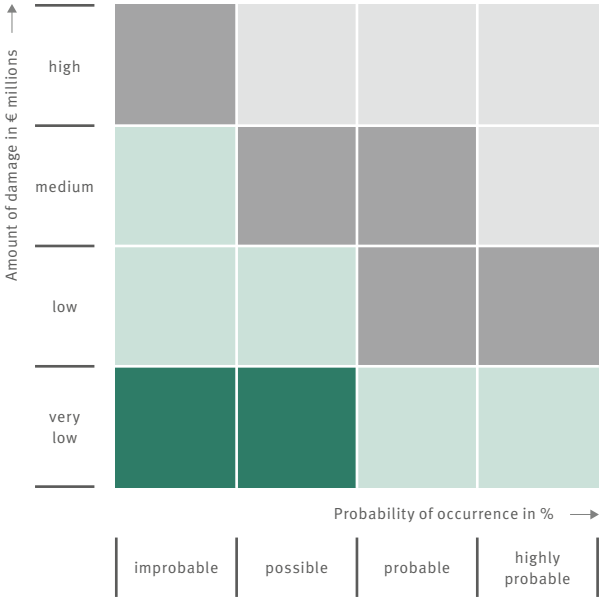
Risks are identified using the groupwide catalog of risk categories. All strategic, operational, legal, and financial risks along the value chain are captured under these categories. This also applies to ESG-related risks, which are fully integrated into this catalog and are identified in accordance with the European Sustainability Reporting Standards (ESRS). Along with risk identification, this also encompasses risk mitigation measures and the associated controls.

Risks are identified every six months, with significant risks added to and updated in the risk management system on an ongoing basis. Depending on the risk category, the timeframe for identifying risks is one, five, and/or ten years. Identification of ESG-related risks is performed for all three timeframes.

In the risk management system, any risks with a potential amount of damage above EUR 10 m on a gross basis are included in risk identification. Risks are assessed according to their monetary impact (amount of damage) and probability of occurrence, differentiated in four categories per dimension. The combination of amount of damage and probability of occurrence determines the risk class with its impact on the financial position and earnings. In assessing risks, the Schaeffler Group differentiates between gross exposures and net exposures; measures already in place can reduce the gross exposure. The net exposure represents the amount of damage and the probability of occurrence after taking into account any risk mitigation measures initiated by the reporting date.

Net exposures are assigned to the relevant risk class using the following risk matrix:

Risk matrix



Impact assessment

Amount of damage in €	
‹ 25 million	very low
› = 25 million – ‹ 50 million	low
› = 50 million – ‹ = 75 million	medium
› 75 million	high

Probability of occurrence in %	
‹ 25%	improbable
25% – ‹ 50%	possible
50% – 75%	probable
› 75%	highly probable

Risk classes

very low low medium high

Impact on financial position and earnings

Opportunities are assessed qualitatively in a top-down identification process taking into account the potential and the probability of occurrence of each opportunity. The resulting favorable deviation from budget is categorized as low, moderate, or considerable based on its impact. Identification of and reporting on opportunities focuses on deviations from the strategic plan. Operational opportunities arising from short-term measures or ongoing business activities are not identified or reported on.

The Schaeffler Group determines its total risk position using a Monte Carlo simulation based on the net exposures identified. This results in a quantitative risk position in terms of the deviation from budgeted EBIT and budgeted cash flows. The Schaeffler Group uses the 95 percent quantile of the resulting risk distribution to determine the deviation from budgeted cash flows and EBIT as a worst-case analysis. There is a 95% probability that the deviation from budget will be less than the amount thus determined. The resulting amount for the aggregated risks is then compared to the company's risk tolerance. Any relevant interdependencies between risks are determined and presented qualitatively.

The Risk Sub-Committee validates the Schaeffler Group's risk position each quarter, thus playing a key role in the preparation of external and internal reports. It is headed up by the Chief Financial Officer, consists of representatives of the divisions and functions, and represents a sub-committee of the Governance, Risk & Compliance Committee (GRCC).

Semiannual reports based on the validated risk and opportunities position are provided to the Board of Managing Directors. These include all net exposures with a medium or high adverse impact as well as opportunities with a moderate or considerable favorable impact.

Between regular reporting dates, the Board of Managing Directors is informed of any significant changes in the risk position timely in a defined process. Reports to the audit committee are made annually.

Internal Audit includes the reported risks in its risk-based audit approach and assists with monitoring implementation of risk management measures.

More on opportunities and risks in the report on opportunities and risks on pp. 34 et seq.

The above "Risk management system" chapter includes disclosures that are typically found in management reports and also address disclosure requirement ESRS 2.IRO-1.53 c, on pp. 52 et seq.

Internal control system

Like the risk management system, the internal control system is part of the second line in the governance structure.

According to section 91 (3) Akt G, establishing a comprehensive internal control system represents a significant part of the due diligence of the Board of Managing Directors of a publicly listed company. The Schaeffler AG Board of Managing Directors has significantly advanced the design of the company-wide internal control system during the year and has obtained regular progress reports.

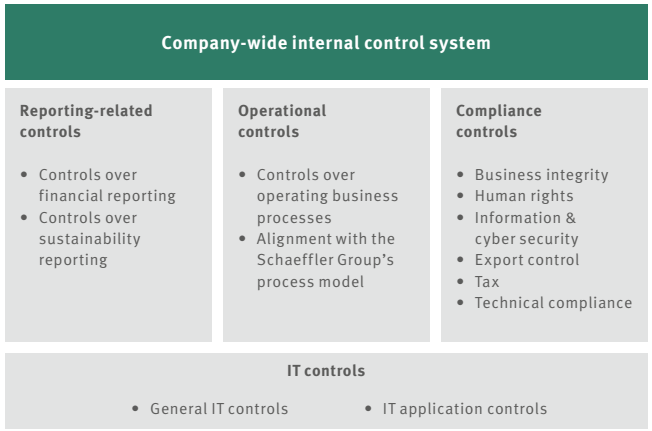
Like the Board of Managing Directors, the Supervisory Board is similarly obliged under section 107 (3) sentence 2 AktG to monitor the effectiveness of the internal control system. Within the

Schaeffler AG Supervisory Board, this monitoring function is performed by the audit committee which obtains regular status reports.

Features of the company-wide control system

The objectives of the Schaeffler Group's internal control system (ICS) are to ensure correct, complete and reliable reporting, effective and efficient operating processes, as well as compliance with legal and internal requirements. These three objectives as well as the other elements of the Schaeffler Group's internal control system have their basis in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework 2013.

In order to achieve the three objectives described, the company-wide internal control system was formally redefined in 2024. The company-wide internal control system consists of the following four interdependent subsystems throughout 2025:



To support the Board of Managing Directors with respect to the company-wide internal control system, the Risk Management & Internal Control System department has been asked to continually review and enhance the related methodology and documentation.

Internal Audit regularly audits the appropriateness and effectiveness of the ICS subsystems described above and similarly reports on its results to the Board of Managing Directors and the audit committee.

Regardless of the assessed level of effectiveness of the internal control system, the effectiveness of any internal control system is inherently limited. No control system – no matter how effective it has been assessed as – can prevent or detect all inaccuracies, perform all operating processes efficiently and effectively, and ensure that any and all legal or internal requirements are complied with.

Reporting-related controls

The objective of **reporting-related** controls is **accurate, complete, and reliable financial and sustainability reporting**.

The financial reporting-related internal control system, also referred to as the system of internal control over financial reporting, is in place throughout the entire Schaeffler Group. The system of internal control over sustainability reporting was introduced in 2024, and additional controls were implemented in 2025. It follows the same methodology requirements as the system of internal control over financial reporting. In addition, minimum requirements such as segregation of duties and the two-person principle apply to all Schaeffler entities.

All of the following principles apply to **reporting-related controls:**

Risk Management & Internal Control System executes an annual ICS cycle with regional ICS coordinators providing support in the Schaeffler Group's regions and local coordinators coordinating the activities of the entities. The ICS cycle consists of scoping, risk-based review of global key controls, documentation, testing, and reporting, and is documented in an instruction.

As part of the scoping, a risk assessment ensures that the significant risks identified in the relevant processes and datapoints are covered by appropriate internal controls. In the system of internal control over financial reporting, risk assessment is based on the key balance sheet and income statement line items and the complexity of the underlying data collection processes. Within the system of internal control over sustainability reporting, risk assessment (low, medium, high) is based on criteria including relevance of the various datapoints to remuneration, complexity of the underlying data collection processes and IT systems, and assessment within risk management. Higher-risk datapoints require more extensive controls. Subsidiaries required to implement and document the controls are selected based on quantitative and qualitative criteria.

Global process owners review the global key controls in an annual update process. These key controls are rolled out and documented at the local level in the documentation phase. This is followed by control testing: The appropriateness and effectiveness of controls are tested under a risk-based approach by clearly defined and distinct groups of testers.

The contents and results of the ICS cycle are regularly reported to management of the group companies, the regions, the Board of Managing Directors, and the audit committee of the Supervisory Board.

The relevant staff regularly receive training on topics such as documenting processes and controls or testing controls.

System of internal control over financial reporting

According to section 289 (4) HGB and section 315 (4) HGB, Schaeffler AG is subject to additional reporting requirements regarding its system of internal control over financial reporting.

The system of internal control over financial reporting serves to ensure the legal compliance of the accounting system and the related financial reports. In this context, Schaeffler AG's financial reports comprise its consolidated and separate financial statements along with its combined management report. The objective of the system of internal control over financial reporting is that the financial reports are free from material misstatements and that such misstatements are prevented, detected, and eliminated before compilation.

In this regard, conceptual and process-related requirements and deadlines as well as analyses and reasonability assessments at group and entity level are designed to ensure that the consolidated and separate financial statements of Schaeffler AG are compiled, prepared, and issued in accordance with the law, to a high level of quality, and on time.

To this end, the following significant features have been implemented:

- An accounting manual sets out uniform accounting policies.
- Closing guidelines issued quarterly provide Schaeffler AG subsidiaries with information on all relevant issues regarding the content as well as the processes and deadlines for compiling the financial statements.
- Tasks and responsibilities regarding the compilation of the separate and consolidated financial statements are clearly defined and assigned in a detailed plan setting out the process and deadlines for their compilation.
- The operating units and the various staff members involved in the process stay in contact on matters concerning accounting, financial statement compilation, and the related quality assurance.

System of internal control over sustainability reporting

Under the German Corporate Governance Code, the internal control system should also encompass sustainability targets.

The objective of Schaeffler AG's ICS over sustainability reporting is to ensure the completeness and accuracy of quantitative and qualitative environmental, social, and governance data. This is designed to ensure that sustainability reporting and the associated processes for collecting, processing, and approving data are documented transparently and potential for improvement is noted where needed. The quantitative and qualitative data to be reported in the sustainability statement was identified in the materiality assessment (see section ESRS 2 IRO-1-NHB) and was additionally derived from the mandatory ESRS datapoints.

More on the materiality assessment related to the sustainability statement on pp. 48 et seq.

Implemented controls are designed to detect and prevent errors in collecting, processing, and approving data.

The following significant measures have been implemented to ensure that the data disclosed in the sustainability statement is free from material error:

- The data collection processes are optimized iteratively jointly with the relevant departments.
- Further, quantitative datapoints are approved in accordance with the principle of segregation of duties based on a list of responsibilities by the departments relevant to compilation.
- The datapoints supplied are reviewed for consistency and completeness by Corporate Accounting.

Operational controls

Operational controls are directed at the Schaeffler Group's business processes as defined in the Governance Framework and Management Handbook.

Operational controls are based on identification and assessment of risks in the Schaeffler Group's operational business processes, which is performed jointly with process owners and is documented in a risk control matrix that is updated regularly. These controls are tested regularly in a structured process, and any control deficiencies are assessed objectively and remediated timely.

Control testing results are reported to process owners as well as to the Board of Managing Directors and the audit committee of the Supervisory Board.

The operational internal control system was enhanced during the year and the processes described in a revised instruction. This includes a newly formalized scoping process as well as utilization of the ICS tool already in use for reporting-related controls to track testing results and for sign-off.

Compliance controls

The Schaeffler Group's **compliance controls** are part of the relevant compliance management systems.

More on the compliance management system on pp. i21 et seq.

IT controls

General IT controls, which form part of IT controls, consist of technical and organizational measures ensuring that IT systems and processes are operating properly and safeguarded appropriately. This applies especially to systems with a higher potential risk such as IT systems associated with financial reporting as well as business-critical systems used in operations. Additional **IT application controls** serve to ensure compliance with requirements and the proper operation of business processes. Responsibility for implementing and operationally performing IT application controls lies with the operational business unit.

A structured ICS cycle is executed comprising documentation and testing of as well as reporting on identified IT controls.

Control testing results are reported to the Board of Managing Directors and the audit committee annually.

The processes and minimum standards for IT controls were formalized further during the year and documented in an instruction.

The above “Internal control system” chapter includes disclosures that are typically found in management reports and also address disclosure requirement ESRS 2 GOV-5, on pp. 44 et seq.

Compliance management system

Like the risk management system and the internal control system, the compliance management system is part of the second line.

Integrity represents a fundamental component of the Schaeffler Group’s business practices. Under the Schaeffler Code of Conduct, the members of the Board of Managing Directors and all employees undertake to comply with the values and principles of conduct established as well as all local, national, and international laws and regulations. Under the Business Partner Code of Conduct, the Schaeffler Group expects the same from its business partners. Subject-specific compliance management systems assist corporate management and all employees with this. These systems are largely based on the seven core components of IDW AsS 980: compliance culture, compliance objectives, compliance program, compliance organization, vulnerability analysis, communication, as well as monitoring and improvement.

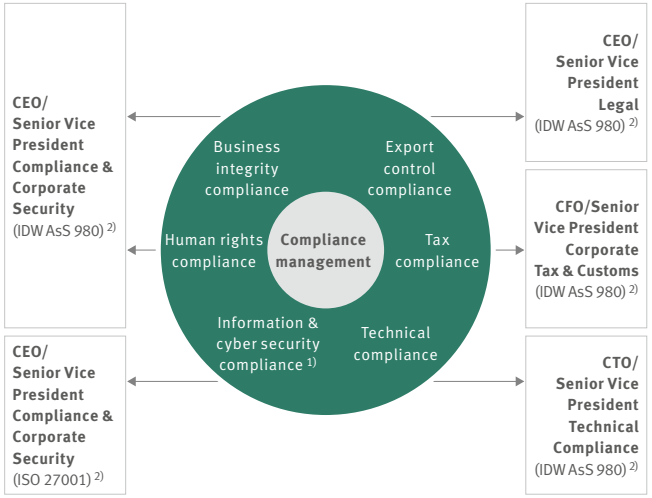
Responsibility for uniform compliance management systems that are aligned with industry and assurance standards rests with the Group Chief Compliance Officer who reports directly to the CEO and the Chairman of the Supervisory Board and maintains a continual dialog with the chairman of the audit committee.

The Schaeffler Group operates a training program tailored to its various target audiences that promotes its employees’ and managers’ understanding of compliance and raises awareness of compliance risks in day-to-day business. Web-based and classroom training sessions provide knowledge of the Schaeffler Code of Conduct and the relevant group guidelines.

Compliance & Corporate Security is responsible for independently investigating suspected violations of the Schaeffler Code of Conduct and operates a global whistleblowing system. It analyzes the causes of misconduct, develops remedial measures, and monitors their implementation.

The Schaeffler Group’s compliance management focuses on the following issues:

Compliance management focal points



1) including data privacy in accordance with IDW AsS 980.
2) aligned with assurance/industry standards.

The Schaeffler Group’s **business integrity**-related compliance management system manages and monitors activities designed to prevent, and detect early on, violations of law in the areas of corruption, money laundering, competition and antitrust law, and economic crime. The measures are based on an annual groupwide vulnerability analysis that assesses the current risk situation and the effectiveness of preventive measures in place. Country-specific risks are summarized in a compliance country risk report that is updated annually.

IT-based workflows on business partner due diligence and contacts with competitors form part of the compliance program. Basic and more in-depth online training sessions on corruption and antitrust law as well as integrity workshops strengthen awareness of these topics. All employees with access to the Schaeffler Group's learning management system have to take an annual basic training refresher course.

The appropriateness and effectiveness of the business integrity-related compliance management system was confirmed by an independent audit firm in accordance with IDW AsS 980 in 2022.

The Schaeffler Group's **human rights** compliance management system focuses on compliance with legal requirements, such as the German Supply Chain Due Diligence Act and the Schaeffler Group's voluntary commitment to respect human rights. Risk assessments for the Schaeffler Group's own operations and its value chain represent the basis for developing and implementing preventive measures in order to protect the rights of those affected. Human rights matters are dealt with on an interdisciplinary and groupwide basis.

The **export control** compliance management system ensures that the company's external and internal business activities do not violate any embargoes, sanctions, or import and export control requirements. It comprises electronic processing and review of transactions and business partners. Requirements, mandatory groupwide and tailored training, and monitoring measures complement the system.

The **tax** compliance management system (tax CMS) monitors compliance with obligations with respect to tax. Assurance regarding the appropriateness and implementation of the tax CMS of Schaeffler AG and its German subsidiaries having previously been provided by an independent audit firm in 2020, assurance regarding the appropriateness and effectiveness of the tax CMS for 2023 for the above entities in accordance with IDW AsS 980 was obtained in 2024.

The **technical** compliance management system (tCMS) focuses on complying with mandatory product-related technical obligations and follows the fundamental elements of compliance management systems in this context. The tCMS was continually enhanced during the year in order to meet the requirements with respect to appropriateness under IDW AsS 980.

In order to strengthen **information and cyber security**, the Schaeffler Group implements preventive, detective, and corrective measures to safeguard intellectual property, company information, and sensitive data, aligned with ISO/IEC27001 and other relevant standards.

Measures to protect personal data are aimed at ensuring that the company's business processes are in accordance with legal requirements regarding data protection. A security-by-design process already takes into account data protection during system and application development. Protective measures are integrated into the business process and tracked in accordance with the specific protection needs.

Internal Audit

Internal Audit, the third line, provides independent audit and consulting services designed to ensure the effectiveness of the risk management system, the compliance management system, the control, management and supervisory processes, as well as the business processes. Internal Audit reports to the Chief Executive Officer and also reports to the audit committee chairman on a regular basis.

The responsibilities of Internal Audit specifically include audit and assessment of the internal control system, the management and supervisory processes, the risk and compliance management systems, and the arrangements for preventing and detecting fraud. Further, it audits and assesses arrangements for safeguarding assets as well as the implementation of and compliance with legal requirements and internal rules ("legal compliance").

The appropriateness and effectiveness of Internal Audit was confirmed by an independent audit firm in accordance with IDW AsS 983 in 2024.

Comment upon the appropriateness and effectiveness of the risk management and internal control system[1]

In order to ensure the appropriateness and effectiveness of the risk management system and the internal control system, the Board of Managing Directors has implemented internal monitoring measures. These include in particular process-integrated monitoring measures and controls. In addition, Internal Audit conducts process-independent audits of the risk management system and the internal control system.

Taking into account the results of the internal monitoring measures, there are no indications that the risk management system or the internal control system in place are not appropriate or not effective.

[1] In accordance with German Corporate Governance Code; section unaudited.

Significant events

Organizational realignment and transformation

With the merger of Vitesco Technologies Group AG into Schaeffler AG completed in 2024, the organization was gradually realigned. Since January 1, 2025, the Schaeffler Group has structured its reports based on the **E-Mobility**, **Powertrain & Chassis**, **Vehicle Lifetime Solutions**, and **Bearings & Industrial Solutions** divisions, which are managed based on product-oriented business divisions. The additional **Others division** combines start-ups and new growth business, strategically relevant functions that operate external business activities as standalone entities, and end-of-life business. As a result, the Others division comprises selected elements of the Schaeffler Group's portfolio that reside outside of the four core operating divisions. Moreover, Schaeffler AG's Board of Managing Directors decided in early 2025 to establish the Aerospace Bearings unit (until Q1 2025: part of the Industrial Bearings business division) as a separate business division of the Bearings & Industrial Solutions division starting in the second quarter of 2025. Additionally, the Schaeffler Group continues to divide its business in four regions – Europe, Americas, Greater China, and Asia/Pacific.

More on the new reporting structure in effect since January 1, 2025, and the divisions in the "Business activities" chapter on pp. 4 et seq.

The Schaeffler Group has continued its **transformation** in a targeted manner. The integration of Vitesco following the merger of Schaeffler and Vitesco is progressing according to plan. Synergies are also being realized as planned. The structural measures with a regional focus on Germany and Europe for safeguarding the company's competitiveness decided on by the Board of Managing Directors of Schaeffler AG in November 2024 are being executed as planned.

As part of the process of accessing **new growth areas**, new collaborations were entered into with Neura Robotics GmbH for humanoids and with Helsing GmbH for defense.

International tariff and trade policy developments

The changes to **import tariffs** for many countries and product groups in 2025 have changed the global tariff landscape and led to an increase in trade conflicts. These have implications for the Schaeffler Group's sales and procurement markets. The Schaeffler Group continues to monitor these developments on an ongoing basis and is taking appropriate adjustment measures.

The **global supply situation** in the semiconductor sector and for other materials was the subject of particular attention in 2025. The Schaeffler Group is in close contact with its customers and suppliers and responds appropriately to current developments.

Bond issuance

Schaeffler AG issued a total of EUR 1.15 bn in bonds under its **debt issuance program** on March 25, 2025. The transaction consisted of two tranches (EUR 550 m with a coupon of 4.250%, due in April 2028, and EUR 600 m with a coupon of 5.375%, due in April 2031) and was settled on April 1, 2025. The new bonds are listed on the Luxembourg Stock Exchange. The proceeds of the issuance serve general corporate and financing purposes, including the completed redemption of the Schuldschein loans due in May 2025 and the bond series due in October 2025.

On November 5, 2025, Schaeffler AG issued another bond series with a principal of EUR 750 m and a coupon of 4.500% due in May 2032 under its debt issuance program. The issuance was settled on November 12, 2025, and the new bonds are listed on the Luxembourg Stock Exchange. The proceeds of the issuance serve general corporate and financing purposes.

Annual general meeting of Schaeffler AG

The **annual general meeting** of Schaeffler AG on April 24, 2025, passed a resolution to pay a dividend of EUR 0.25 per common share (prior year: EUR 0.44 per common share and EUR 0.45 per common non-voting share) to Schaeffler AG's shareholders for 2024. The dividend was paid on April 28, 2025. The conversion of the bearer shares into registered shares also resolved upon by the annual general meeting took place in late June 2025.

Changes to Executive Board

Christophe Hannequin became a **member the Board of Managing Directors** and **Chief Financial Officer** of Schaeffler AG effective September 1, 2025. He was appointed for a three-year term of office, until the end of August 31, 2028. Christophe Hannequin succeeds Claus Bauer, who left the Schaeffler AG Board of Managing Directors when his contract expired on August 31, 2025.

On September 29, 2025, the Schaeffler Group announced that **Andreas Schick**, **member of the Board of Managing Directors** and **Chief Operating Officer** of Schaeffler AG since April 2018, will not be extending his contract. Andreas Schick's current contract is due to expire on March 31, 2026.

Moreover, the Board of Managing Directors of Schaeffler AG appointed **Maximilian Fiedler** as **CEO of the Asia/Pacific region** and member of the Executive Board effective January 1, 2026.

Capital Markets Day: Strategy enhancement and Mid-term Targets

At its first **Capital Markets Day** following the acquisition of Vitesco Technologies Group AG, the Schaeffler Group presented an update on the company's strategy and the Mid-term Targets 2028 on September 16, 2025. By expanding the product portfolio, especially in the fields of power electronics, electronic control units, and sensors, the Schaeffler Group has created the basis to become the leading Motion Technology Company. The Schaeffler Group's strategic ambition is to be a top 3 global player in each of its four divisions – E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. As Mid-term Targets for 2028, the Schaeffler Group undertakes to double its EBIT before special items and significantly increase free cash flow. In order to achieve the Mid-term Targets, the company's main focus over the next three years will be on rigorous order book execution in the E-Mobility and Powertrain & Chassis divisions, on implementing the performance improvement programs, and on optimizing its current business portfolio.

A significant step in streamlining the business portfolio in 2025 was the signing of an agreement to dispose of the turbocharger business in China as well as Xtronic GmbH. At the same time, the Schaeffler Group continues to invest in sustainability, digitalization, and the use of artificial intelligence to power the transformation and to access new areas of innovation. The Schaeffler Group is also accessing promising growth areas such as humanoid robots, defense, and eAviation from which the company aims to generate up to ten percent of its revenue by 2035.

More on the disposals on pp. 3 et seq.

Outlook adjusted

In light of the favorable trend in free cash flow before cash in- and outflows for M&A activities during the year to date, the Schaeffler AG Board of Managing Directors adjusted **the full-year outlook for 2025** on October 28, 2025.

More on the results of operations compared to the outlook 2025 on pp. 15 et seq.

About this report

Since January 1, 2025, the Schaeffler Group has structured its reports based on the **E-Mobility**, **Powertrain & Chassis**, **Vehicle Lifetime Solutions**, and **Bearings & Industrial Solutions** divisions and the **Others** division.

More on the new reporting structure in effect since January 1, 2025, in the Schaeffler Group's annual report 2024 on pp. 5 et seq.

As Vitesco was acquired in two steps (approximately 38.9% of the shares effective January 5, 2024, and full acquisition effective October 1, 2024) and was therefore consolidated in stages, Vitesco's 2024 operations are only partially included in the figures reported by the Schaeffler Group.

In the first three quarters of 2024, only the proportionate share of Vitesco's earnings (corresponding to the approximately 38.9% interest held) was included in the Schaeffler Group's net income via the "net income (loss) from equity-accounted investees" line. As a result, the view of Vitesco for the first three quarters of 2024 is limited to the minority interest and the "net income (loss) from equity-accounted investees" line in the income statement. Consolidation of Vitesco, which fully reflects Vitesco's operations within the Schaeffler figures, did not occur until the fourth quarter of 2024.

The significant effects shown, i.e., the significant increase in revenue and the shift in earnings quality, are purely acquisition-driven and unsuitable for adequately presenting the performance of the merged company, due to the limited basis for comparison. For this reason, the Schaeffler Group has inserted an additional column (pro-forma comparison) in the tables for purposes of the main discussion of earnings. The comparative amounts underlying this column are based on the assumption that Vitesco was acquired as at January 1, 2024, and is therefore included in full in the prior year amounts.

The pro-forma comparison extends beyond the pure impact of the acquisition. It also consistently reflects the policy for corporate charges. This also changes the pro-forma earnings of the Bearings & Industrial Solutions division despite this division not being significantly affected by the acquisition.

The pro-forma amounts and related disclosures are unaudited.

Combined management report

Combined management report in accordance with section 315 (5) HGB (also referred to as “group management report” or “management report”). The company has chosen to integrate the management report of Schaeffler AG with the following group management report of the Schaeffler Group.

Special items
In order to facilitate a transparent evaluation of the company’s results of operations, the Schaeffler Group reports EBIT, EBITDA, net income, net financial debt to EBITDA ratio, Schaeffler Value Added, and ROCE before special items (= adjusted).

Impact of currency translation/constant-currency
Constant-currency revenue figures, i.e., excluding the impact of currency translation, are calculated by translating revenue using the same exchange rate for both the current and the prior year or comparison reporting period.

Rounding differences may occur.

References
The unaudited corporate governance declaration including corporate governance report in accordance with sections 289f HGB and 315d HGB, incl. the declaration of conformity pursuant to section 161 AktG forms part of the group management report. The combined group non-financial declaration also forms part of the group management report in accordance with section 289b (1), section 315b (1), and section 298 (2) HGB and was the subject of a limited assurance engagement. Content of websites referenced in the group management report merely provides further information and is not part of the group management report and is unaudited.

Disclaimer in respect of forward-looking statements
This group management report contains forward-looking statements that are based on the Board of Managing Directors’ current estimation at the time of the creation of this report. Such statements refer to future periods or they are designated by terms such as “estimate”, “forecast”, “intend”, “predict”, “plan”, “assume”, or “expect”. Forward-looking statements bear risks and uncertainties. A variety of these risks and uncertainties are determined by factors not subject to the influence of the Schaeffler Group. Therefore, actual results can deviate substantially from those indicated.

* Part of the group management report.

1. Fundamental information about the group

1.1 Organizational structure and business activities

The Schaeffler Group is an integrated technology group with approximately 110,800 employees[1] that divides its business into four product-oriented divisions and groups the products and services it offers into eight product families.

The term "motion" serves as the connecting element for the eight product families that range from bearing and linear guidance systems to transmission and engine components, control units and sensors, actuators, power electronics, electric motors and electric drives, bipolar plates and stacks in the hydrogen field through to repair and maintenance solutions. The company's range of products and services is offered to a broad customer portfolio in ten sectors. The Schaeffler Group's backbone is formed by twelve manufacturing technologies, a high level of vertical integration, and broad technology expertise that opens up synergies and growth opportunities across products, sectors, and divisions.

The Schaeffler Group has a global network of production locations, research and development facilities, and sales companies. With its more than 260 locations, 104 production facilities [2], a technology center in Herzogenaurach, and 41 research and development centers, the Schaeffler Group subdivides its business into four regions.

Sustainability and climate change mitigation are pivotal elements of its corporate strategy and significantly shape the entire product range. With its products, the Schaeffler Group helps shape key trends such as electrification, automation, digitalization, and connectivity. The company develops energy-efficient products and reduces its consumption of resources in production with the aim of minimizing its environmental footprint.

More on sustainability on pp. 40 et seq.

Organizational and leadership structure

The Schaeffler Group is characterized by a three-dimensional organizational and leadership structure which differentiates between divisions, functions, and regions.

The Schaeffler Group's operations are structured in four divisions – **E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions,** and **Bearings & Industrial Solutions**. The company also reports on the **Others** division which combines selected growth and functional activities as well as end-of-life business not assigned to the operating divisions.

More on the detailed description of the divisions in the "Business activities" chapter on pp. 4 et seq.

The functions have the following responsibilities:

The **CEO Functions** perform governance, management, and oversight tasks across the entire group. CEO Functions include Group Strategy and Development; Quality; Governance, Processes & Organization; Legal; Compliance & Corporate Security; Internal Audit; Group Communications & Public Affairs; Global Branding & Marketing; Strategic Sustainability; and Strategic Digitalization. The function is also responsible for Schaeffler Invest and the Others division's Defense unit.

The **Research & Development** function focuses on creating innovative products in a targeted and efficient manner using state-of-the-art development tools. In the field of innovation, priorities are issues such as electrification, autonomization, digitalization, as well as developing sustainable system solutions. Departments include R&D Strategy, Corporate Engineering Services, Intellectual Property Rights, Engineering Digitalization & IT, R&D Central Technologies, and Technical Compliance. The function is also responsible for the Others division's Schaeffler Engineering, Battery Cell Start-Up, Hydrogen, and Compact Dynamics units.

[1] This figure differs from the number of employees reported in the sustainability statement. The ESRS disclosure includes all temporary employees in the number of employees.
[2] Manufacturing locations have certified management systems in accordance with internationally recognized standards – including quality standards – and regulations. The requirements of various standards relevant to certification are implemented at the Schaeffler plants.

The **Operations, Supply Chain Management & Purchasing** function is responsible for the company's global production and purchasing activities. It focuses on optimizing global supply chains which encompasses the entire range of activities from sustainable, digital production and production management to logistics, supplier management and strategic purchasing. The function includes departments such as Operations Strategy & Footprint and Operations Digitalization & IT. The function is also responsible for the Others division's Special Machinery, Humanoid Start-Up, and Schaeffler Digital Solutions units.

The **Finance & IT** function supports management with controlling-related financial data as well as powerful digital systems and processes to facilitate decision-making based on economic principles. This function includes departments such as Corporate Accounting, Corporate Controlling, Corporate Treasury, Corporate Tax & Customs, Corporate Reporting, Investor Relations, and Group IT.

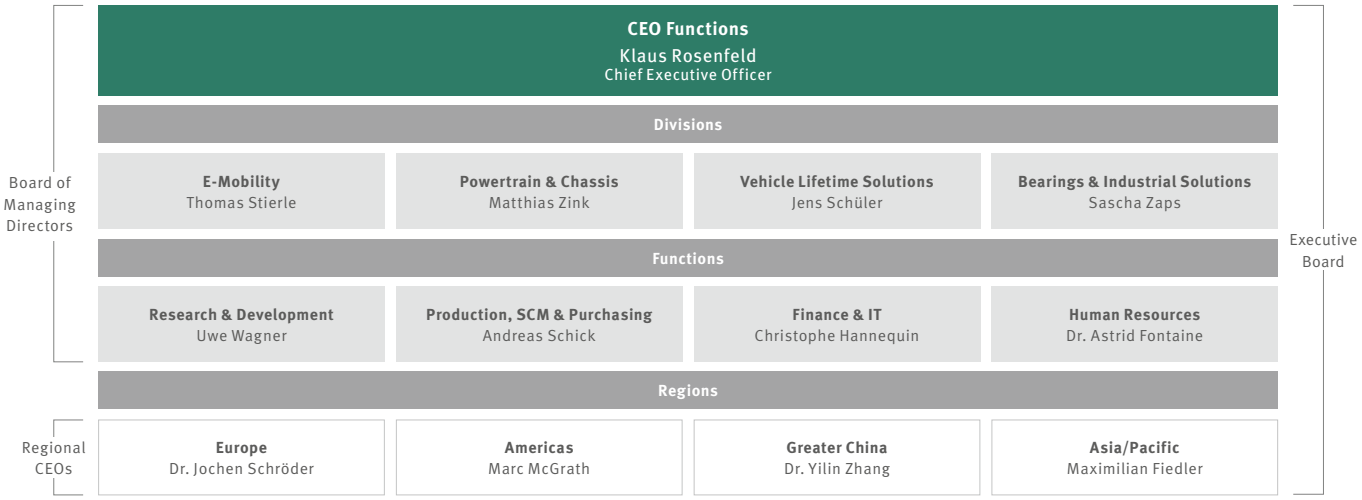
The **Human Resources** function comprises key elements such as the development and upskilling of employees and managers as well as attracting and retaining talent. The function comprises departments such as HR Strategy Engagement and Strategic Workforce Planning, Recruiting & Onboarding; Leadership & People Development; Qualification & Learning; Total Rewards & Labor Relations; and HR Digitalization.

Legal group structure

The Schaeffler Group's parent company is Schaeffler AG which is based in Herzogenaurach, the group's corporate headquarters. The Schaeffler Group included 198 (prior year: 209) domestic and foreign subsidiaries as at December 31, 2025. Also as at December 31, 2025, 116 (prior year: 128) subsidiaries were domiciled in the Europe region, 33 (prior year: 34) in the Americas region, 28 (prior year: 25) in the Greater China region, and 21 (prior year: 22) in the Asia/Pacific region.

Schaeffler Group organizational and leadership structure

since January 1, 2026



Schaeffler AG is a publicly listed stock corporation domiciled in Germany. Schaeffler AG's share capital amounts to EUR 994,884,641.00 and is divided into 994,884,641 no-par-value common shares. Each no-par-value share represents an interest in share capital of EUR 1.00. The common shares are registered shares. Schaeffler AG's shares are listed on the Frankfurt Stock Exchange and are traded there with additional post-admission obligations (Prime Standard). The conversion of the bearer shares into registered shares resolved upon by the annual general meeting 2025 took place in late June 2025.

Approximately 79.2% of Schaeffler AG's registered no-par-value shares are owned by IHO Holding: approximately 69.2% by IHO Verwaltungs GmbH and approximately 10.0% by IHO Beteiligungs GmbH. Both companies are part of IHO Holding.

Disposals during the year

Schaeffler AG signed an agreement to sell the **turbocharger business in China** to Chengdu Xiling Power Science & Technology Incorporated Company on November 4, 2025. Additionally, Schaeffler AG signed an agreement to sell 100% of the shares in **Xtronic GmbH** to Accursia Capital GmbH on December 17, 2025. Both transactions are expected to close in the first half of 2026 and continue the streamlining of the business portfolio announced at the Capital Markets Day in September 2025.

More on the Schaeffler Group's group strategy on pp. 7 et seq.

Business activities

The Schaeffler Group reports on its business based on the four operating divisions – E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions – and the Others division.

Each operating division is managed based on separate product-oriented business divisions (BD) that are responsible for specific businesses worldwide and pursue their own technology and marketing strategies. Specific expertise is utilized across business divisions as necessary.

The product and service portfolios are aligned with the specific requirements of their markets and customers. The company's entire portfolio can be described by means of eight product families. These form the basis for assigning product areas to the four divisions, with a few areas represented in more than one division.

Reporting structure

E-Mobility	Powertrain & Chassis	Vehicle Lifetime Solutions	Bearings & Industrial Solutions	Others
Electric Drives BD	Engine & Transmission Systems BD	Repair & Maintenance Solutions BD	Industrial Bearings BD	New growth business/ start-ups
Controls BD	Powertrain Solutions BD	Platform Business BD	Automotive Bearings BD	Ext. business of functional entities
Mechatronics & Modules BD	Chassis Systems BD	Specialty Business BD	Aerospace Bearings BD	End-of-life business
		Emerging Business BD	Linear Motion BD	

E-Mobility division

The **E-Mobility division** develops, manufactures and distributes a comprehensive portfolio of mechanical, mechatronic, and electronic components and systems for powertrain electrification of both passenger cars and commercial vehicles. It offers platform-agnostic solutions for all-electric and hybrid vehicles. Service and support are offered in the customer's direct vicinity via a global development and production network.

Business divisions and products

The **Electric Drives BD** offers an extensive product spectrum of electrified powertrains. The portfolio comprises comprehensive system and component solutions for all-electric, hybrid, and mild hybrid vehicles. Voltages range from 48 to 800 volts, covering a wide variety of applications in passenger cars, commercial vehicles, and off-road vehicles. Highly efficient electric motors with radial or axial flow are combined with compact gearboxes in parallel-axis or coaxial design. Integrating power electronics facilitates complete drive systems that can be expanded to include an effective thermal management system depending on customer preferences.

The **Controls BD** provides system and component solutions for all-electric and hybrid vehicles. In the area of power electronics, the portfolio contains high-voltage inverters and integrated charging solutions (high-voltage boxes) that integrate an onboard charger, DC-DC converter, and other functionalities. The electronics portfolio includes battery management systems, control units for E/E architectures, as well as engine and transmission control units. New, focused business areas for software, development, and manufacturing strategically extend the offered range and position the Controls BD as a partner for software-defined vehicles (SDV).

The **Mechatronics & Modules BD** offers system and component solutions for thermal management and mechatronic products. The offered range for thermal management comprises integrated systems, pumps, and valves. Mechatronic products include battery components, decoupling units, wet clutches, and continuously variable transmission systems.

The above "Business divisions and products" section includes disclosures that are typically found in management reports and also address disclosure requirement ESRS 2 SBM-1 40 a i, on pp. 45 et seq.

Market and competitive environment

The market environment of the E-Mobility division is characterized by highly intense competition in the form of persistently high competition both from other automotive suppliers and also from automobile manufacturers themselves. Most of its customers are automobile manufacturers with global operations. Demand is closely linked to global vehicle production. In an increasingly electrified market environment, the Schaeffler Group predicts in its "Schaeffler Vision Powertrain" that by 2035, approx. 50% of all passenger cars and light commercial vehicles produced worldwide will have all-electric drive systems and 30% will have a hybrid powertrain. China, specifically, has assumed a leading role in the production of battery- and hybrid-electric vehicles. Key to meeting the various market requirements are a platform-agnostic portfolio – covering both all-electric and hybrid vehicles – as well as modularity and scalability through systems and component expertise and a strong strategic position in China.

The above "Market and competitive environment" section includes disclosures that are typically found in management reports and also address disclosure requirement ESRS 2 SBM-1 40 a ii, on pp. 45 et seq.

Powertrain & Chassis division

The **Powertrain & Chassis division** develops, manufactures, and distributes components and system solutions for both electrified powertrains and those based on an internal combustion engine, as well as innovative chassis and steering technologies that are powertrain-agnostic. Its products are used in passenger cars, commercial vehicles, and two-wheelers.

Business divisions and products

The **Engine & Transmission Systems BD** mainly offers components and sub-systems for engine and transmission applications in passenger cars and commercial vehicles for both hybrid drives and conventional internal combustion engines. Products include torque converters, hybrid dampers, clutches, variable valve train systems, valve-lash adjustment elements, balancer shafts, camshaft phasing systems, timing drives, and front end auxiliary drives.

The **Powertrain Solutions BD** supplies sensors, actuators, and control units for the powertrain, chassis, and vehicle access in passenger vehicles, commercial vehicles, and two-wheelers.

The **Chassis Systems BD** offers mechanical components and mechatronic systems for steering, damping, and other chassis applications that enable partly automated driving. The product range includes ball screw drives, the variable damping system (VDS), the hand wheel actuator, and the mechatronic rear-wheel steering system.

The above “Business divisions and products” section includes disclosures that are typically found in management reports and also address disclosure requirement ESRS 2 SBM-1 40 a i, on pp. 45 et seq.

Market and competitive environment

The market environment of the Powertrain & Chassis division is also characterized by highly intense competition, especially competition with other automotive suppliers. Most of its customers are automobile manufacturers with global operations. Demand is closely correlated with global vehicle production which is increasingly shifting away from internal combustion engines toward electrified powertrain technologies. In its “Schaeffler Vision Powertrain” scenario, the Schaeffler Group predicts that by 2035, approx. 50% of all passenger cars and light commercial vehicles produced worldwide will have all-electric drive systems and 30% will have a hybrid powertrain. A further 20% of all newly produced passenger cars will continue to have an internal combustion engine in 2035. Additionally, as automation of driving functionalities is progressing toward the autonomous vehicle, requirements regarding chassis applications are increasing. The “Schaeffler Vision Automated Vehicle” scenario sets out the Schaeffler Group’s expectation that, by 2035, approx. 5% of passenger cars and light commercial vehicles produced will be driven in a highly automated and approx. 15% in a conditionally automated manner.

The above “Market and competitive environment” section includes disclosures that are typically found in management reports and also address disclosure requirement ESRS 2 SBM-1 40 a ii, on pp. 45 et seq.

Vehicle Lifetime Solutions division

The **Vehicle Lifetime Solutions division** is responsible for the Schaeffler Group’s global business with spare parts and provides repair solutions and components for passenger cars, light and heavy commercial vehicles, tractors, and two-wheelers. With its comprehensive systems expertise and extensive services, it offers intelligent integrated repair solutions, thus supporting repair shops even in the case of complex repairs. The division is increasingly positioning itself in a global, dynamic mobility ecosystem that encompasses all relevant stakeholders and technologies facilitating modern mobility solutions. Due to its focus on innovation and customer centricity, the division organizes its business in four business divisions, each focused on specific customer groups with tailored offerings.

Business divisions and products

The **Repair & Maintenance Solutions BD** offers repair solutions and services for major customers and distributors in the open, independent spare parts market (Independent Aftermarket, IAM).

The **Platform Business BD** facilitates accessing the market via digital sales channels and, additionally, offers digital services for repair shops and customers in the mobility ecosystem.

The **Specialty Business BD** is responsible for the spare parts business with automobile manufacturers (Original Equipment Service, OES) and provides customers with small batch series solutions. Additionally, this business division adds engineering and manufacturing services to the division’s expertise.

The **Emerging Business BD** identifies future business opportunities in the mobility ecosystem with a focus on innovative business models beyond the core business.

The above “Business divisions and products” section includes disclosures that are typically found in management reports and also address disclosure requirement ESRS 2 SBM-1 40 a i, on pp. 45 et seq.

Market and competitive environment

The division operates in a dynamic market environment that is affected by numerous factors. A significant growth driver in the spare parts business is the growing global vehicle population which is increasing demand for spare parts and maintenance services. Meanwhile, the rising average age of vehicles leads to more complex and more frequent repairs.

Technological innovations are key to transforming the market into an interconnected mobility ecosystem. Digitalization and interconnected vehicle technologies make real-time diagnoses possible and open up innovative business models such as preventive maintenance. The growing spread of electric drive systems requires spare parts and services that are tailored specifically to electric and hybrid vehicles. Additionally, demand for sustainable products and services is rising, which is reflected in a greater need for low-emission spare parts made from sustainably produced materials and demand for solutions such as remanufacturing and rehabilitating used parts.

Further characteristic features of the mobility ecosystem and the automotive aftermarket, one of its key elements, are the growing significance of e-commerce and consolidation at the distributor level. At the same time, new competitors such as fleet operators and technology-focused start-ups are entering the market. Customer-centricity and high service quality remain key competitive advantages, with personalized solutions and tailored services becoming increasingly important.

In order to operate successfully in this complex environment, the division develops focused strategies that are clearly aligned with customer needs, utilize technological progress, and respond flexibly to changing market conditions.

Bearings & Industrial Solutions division

The **Bearings & Industrial Solutions division** develops, manufactures, and distributes rotary and linear bearing solutions as well as drive components and systems for the industrial and automotive sectors. Complementary service solutions, including sensor-based condition monitoring systems for a large number of industrial applications, round out the offered range. The portfolio of products and services for aerospace applications was organizationally carved out from the Industrial Bearings business division and transferred to a separate Aerospace Bearings business division in 2025.

Business divisions and products

The **Industrial Bearings BD** offers a broad spectrum of rotative bearing solutions for a wide range of industrial sectors, including particularly high-performance main and gearbox bearings for wind turbines or ready-to-install axlebox bearings for rail transport. The product portfolio of rolling and plain bearings ranges from high-speed and high-precision bearings with small diameters to large-size bearings several meters wide. All classic designs of ball and rolling bearings such as tapered, spherical, and cylindrical roller bearings are covered, as are bearing housings. Moreover, the business division offers a large number of products and services for preventive maintenance along the entire product life cycle, including condition monitoring solutions, automated lubrication systems, and customer-specific expert services.

The **Automotive Bearings BD** combines the division's comprehensive range of automotive rolling bearings, especially ball, roller, and needle bearings that are used in passenger cars and light commercial vehicles as well as in buses and heavy goods vehicles. Along with wheel bearings, the portfolio also comprises specific bearing solutions for engines and powertrains, all used to equip both conventional drives and electrified powertrains and chassis systems. A growing proportion of products is specifically geared to the requirements of all-electric and hybrid vehicles.

The **Aerospace Bearings BD** develops, manufactures, and distributes highly safety-critical special bearing systems and precision components for aircraft engines, helicopters, and space applications. The offered range includes both complex and highly integrated bearing systems and electromechanical sensor-based assemblies. Products are designed for maximum performance requirements and the highest quality and reliability even in extreme temperatures or weightlessness. The business division also offers preventive maintenance services, comprehensive diagnostic services, and remanufacturing of jet engine bearings under certified processes.

The **Linear Motion BD** offers linear guides, electromechanical actuators, and ball and roller screws for a variety of applications in a wide range of industrial sectors. Products offered include, for instance, linear drives for medical CT scanners and lifting columns for aerial work platforms. A large part of the related component and system business consists of customer-specific solutions. In the long term, the division aims to establish itself in the market as a leading full-range supplier of linear technology and electromechanical actuator systems.

The above "Business divisions and products" section includes disclosures that are typically found in management reports and also address disclosure requirement ESRS 2 SBM-1 40 a i, on pp. 45 et seq.

Market and competitive environment

The Bearings & Industrial Solutions division serves mostly markets characterized by a large number of competitors and customers worldwide. Demand for industrial applications depends significantly on the trend in global industrial production, primarily in the sectors particularly relevant to the division – mechanical engineering, transport equipment, and electrical equipment. Automotive sector demand is strongly correlated with global vehicle production. In order to closely target its response to local market requirements and customer needs and foster long-term customer loyalty, the sales organization is aligned with the four regions – Europe, Americas, Greater China, and Asia/Pacific.

Cross-regional issues such as the global technology and product strategy are managed centrally and implemented by divisional key account management.

The above "Market and competitive environment" section includes disclosures that are typically found in management reports and also address disclosure requirement ESRS 2 SBM-1 40 a ii, on pp. 45 et seq.

Others division

The **Others division** combines selected elements of the Schaeffler Group's portfolio that reside outside of the four core operating divisions.

The Others division mainly focuses on new growth areas that are being accessed gradually and with a clear strategic goal. The goal is to generate ten percent of revenue from new business areas by 2035. These new areas include applications in humanoid robotics, defense, and in eAviation. Business units are established as stand-alone units or start-ups to enable them to be flexible and innovative in their development as well as to optimally meet the specific requirements of the various activities. To this end, a collaboration agreement with drone manufacturer Helsing was signed during the year, for example. Additionally, the company agreed to collaborate closely with companies like Neura Robotics and Humanoid to continue to enhance humanoid robotics solutions and prepare for using them in its own production.

Along with the growth areas, the Others division also comprises strategically relevant functions that operate external business activities as stand-alone entities as well as end-of-life business – such as a contract manufacturing agreement that expires in 2026. This structure creates clear boundaries and facilitates the targeted development of innovative activities that are not part of the core business.

1.2 Group strategy and group management

Following the successful merger with Vitesco in 2024, the Schaeffler Group continues to make headway with its strategic realignment. Therefore, a fundamentally updated group strategy 2030 was communicated at the Capital Markets Day on September 16, 2025.

Group strategy

Strategic framework

The Schaeffler Group's strategic framework will continue to consist of three main elements: strategy, execution program, and mid-term targets.

The Schaeffler Group's strategic direction is guided by the vision of becoming the leading Motion Technology Company. To this end, the Schaeffler Group has organized its structure in four product-oriented divisions and aims for a leading global competitive position for each of them. This ambition is powertrain-agnostic for the E-Mobility and Powertrain & Chassis division. The Vehicle Lifetime Solutions division aims for a leading role in the spare parts and modern repair solutions ecosystem. Additionally, the Bearings & Industrial Solutions division plans to further consolidate its already strong market position based on its comprehensive portfolio of rolling bearing and linear solutions. Business activities beyond the core businesses are combined in the Others division, including new business areas such as humanoids. The company plans to raise the percentage of its revenue generated from these growth areas to up to 10% by 2035.

The strategy continues the model of eight product families describing the range offered by the Schaeffler Group as a Motion Technology Company. These innovative products are offered in various industries which the Schaeffler Group describes using ten customer sectors: from two-wheelers, passenger cars, heavy commercial vehicles, rail, aerospace, construction & agriculture, industrial machinery, medical technology, and conventional energy generation, through to renewable energy. Shared technology and manufacturing capabilities are designed to facilitate synergies across products, sectors, and divisions and to promote successful cross-selling.

Strategy

As the Strategy 2025 developed in 2020 was successfully completed during the year, the company presented its new Strategy 2030 which replaces the previous Strategy 2025. The new Strategy 2030 will similarly be validated and enhanced each year in strategy dialogs.

The new organizational structure featuring four product-oriented divisions offers a total of **three hedges** for strengthening the Schaeffler Group's resilience in difficult market phases.

The **first hedge** relates to the application of different powertrain technologies. Being technology-agnostic with respect to conventional and innovative powertrain components and systems allows the company to benefit from the continual growth of electric mobility while at the same time continuing to serve traditional combustion engines. Hybrid drives are supported by both portfolios. This even portfolio-balance reduces risk arising from one-sided market trends.

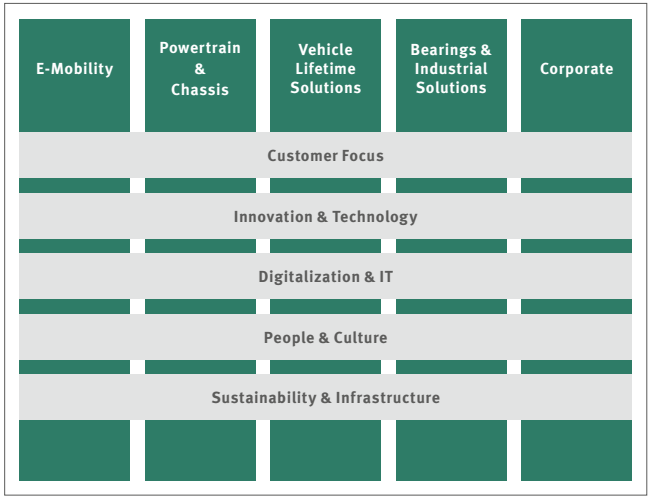
The **second hedge** relates to the market trend for new vehicles. The Schaeffler Group's business model combines the production of innovative vehicle components and systems with extensive repair- and maintenance solutions along the entire vehicle life cycle, offered by the Vehicle Lifetime Solutions division. This combination of new and existing business ensures additional revenue stability, since the company benefits from both sales of new vehicles and from longer-term demand for services and maintenance.

The **third hedge** relates to the market trend of individual sectors. With its broad portfolio comprising both components and systems for mobility solutions as well as a large number of industrial solutions, the Schaeffler Group serves ten diversified customer sectors. This industry diversification enables it to take advantage of opportunities in different markets and to spread the overall risk across several business areas.

Execution program

The Strategy 2025 was executed via the Execution Program 2025 that was focused on achieving the defined strategic priorities as well as the financial and non-financial targets of the group. Combining and consolidating all relevant divisional and cross-divisional activities in the Execution Program 2025 not only drove forward the Schaeffler Group's transformation but also promoted cross-divisional synergies and generated efficiency gains improving profitability. Paralleling the new Strategy 2030, its execution will follow a newly established execution program. Along with the existing structure, this execution program comprises an additional divisional subprogram titled "Corporate" and a horizontal subprogram titled "Customer Focus".

Execution Program 2030 with divisional and cross-divisional subprograms



Progress of Execution Program 2025 during the year

The Execution Program 2025 has continued to achieve important milestones for the company in 2025. As the majority of the planned measures were successfully executed over the entire five-year term of the program up to the end of the year, the program is considered completed. The new execution program has a time horizon up to 2030 and is being launched in early 2026 in order to continue to ensure strategic priorities are executed and the group's financial and non-financial targets are met.

In the **E-Mobility** divisional subprogram, a dedicated program was established that focuses on strengthening the quality of new customer projects starting up. To this end, opportunities for improvement were identified and measures derived from these opportunities were successfully integrated into relevant processes. At the same time, business growth in China was boosted and competitive ability strengthened by efficiency measures. Furthermore, the build-to-print business model was expanded within the division and new customer orders were secured.

The **Powertrain & Chassis** subprogram achieved significant progress in expanding innovative product solutions and strategically focusing the portfolio. For instance, the position as a technology provider for groundbreaking chassis and sensor systems was strengthened by realizing another successful production start for the rear-wheel steering system and expanding the business with access sensors. Paralleling this, the division sold the declining turbocharger business in China to a local specialist, thus consistently streamlining the portfolio as announced as part of the Vitesco acquisition.

Under its divisional subprogram, the **Vehicle Lifetime Solutions division** broke ground for a new distribution and kitting center in Eastern Europe to improve the supply chain. The new center is aimed at improving product availability, efficiency, and customer satisfaction. The division also developed a new E-Axle Repair Tool, a specialized tool that allows repair shops to sustainably repair electric motors.

During the year, the subprogram of the **Bearings & Industrial Solutions division** focused on strengthening the competitive position by implementing growth and efficiency measures. As an example, the position as a leading systems partner to the wind power industry was reinforced by the commissioning of the world's most powerful test facility for rotor bearings at the Lindø Offshore Renewables Center (LORC) in Denmark. Additionally, the preventive maintenance portion of the portfolio was expanded by adding the new multi-point lubricator, "FAG OPTIME C4" – an even more flexible and powerful version of the smart lubrication management system strategically rounding out the portfolio.

A flexible AI-supported system for visual inspections was developed and successfully piloted under the cross-divisional **"Innovation & Technology"** subprogram during the year. A scalable standard solution that combines robotics and AI-based image processing in one uniform platform was implemented at the technology center based on this. The aim of this solution is to enhance efficiency and quality in inspection processes. Additionally, initial tests of humanoid robots for potential applications in production were performed.

A particular focus of the **"Digitalization & IT"** subprogram is on applying AI. The expansion of the company's own AI platform was accelerated by integrating AI agents and other functionalities while further improving user-specific data and automation capabilities. The implementation of SAP S/4HANA made progress during the year as well: The introduction of initial pilot locations and enhancement of functionalities represents a significant milestone. Further, the roll-out of the new global data model was significantly advanced by integrating additional data domains.

The **"People & Culture"** subprogram achieved significant progress with implementing a uniform skill management approach during the year. This approach aims to systematically identify employees' skills and close skill gaps using strategic upskilling measures in order to strengthen the Schaeffler Group's competitive ability for the long-term. In addition, leadership development was given further impetus, including by the **"**Plant Leadership Excellence Program**"** that adds to the training landscape for managers with a focus on plant leadership positions with global importance. Moreover, the start of a new "EmpowHer" initiative intensified promotion of female talents in order to deliberately support their path to leadership positions.

Under its **"Sustainability & Infrastructure"** subprogram, the Schaeffler Group developed and executed specific measures that contribute to embedding environmental and social responsibility in the value chain. These measures act as a key success factor for sustainable management and form the framework for implementing the sustainability strategy and meeting sustainability targets. They focus on, among other things, specific decarbonization activities in the supply chain, in production, and in the product portfolio. The company also derived targeted measures to implement business activities that are focused on the circular economy and embedded them in a specific circular-economy strategy. The company also pushed ahead with infrastructure measures at several locations. A new cyber security center at the Herzogenaurach location was completed during the year.

Mid-term targets

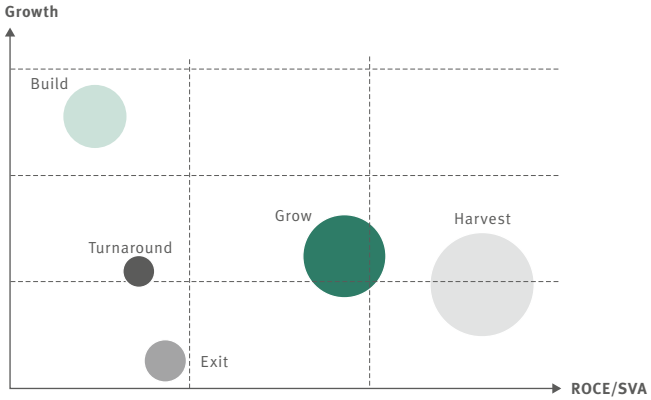
The mid-term targets for 2028 represent the third element of the Schaeffler Group's strategic framework. The targets were redefined following the successful merger with Vitesco Technologies and first communicated on September 16, 2025, as part of a Capital Markets Day. The mid-term targets follow the overarching objective of sustainable value creation and express the result of the company's strategy and the execution program in quantitative terms.

At **group level**, the company aims to considerably increase its revenue, double its EBIT margin before special items to 6 to 8%, and significantly increase its free cash flow. Additionally, the company aims for its net financial debt to EBITDA ratio before special items to return to a targeted range of 1.5x to 2.0x, the reinvestment rate to amount to approximately 1.0, and the dividend payout ratio to amount to 40 to 60% of net income before special items attributable to shareholders of the parent company.

Portfolio management and capital allocation

In order to use its capital appropriately and in line with its strategy, the Schaeffler Group has developed a framework for long-term capital allocation that applies across all divisions. The framework identifies 4+1 fundamental portfolio strategies that represent a structure for investment and divestment decisions. The four fundamental strategies – **Build**, **Grow**, **Harvest**, and **Exit/Divest** – are rounded out by the **Turnaround** strategy. The strategies are applied in all divisions and their business areas and are always directly linked to a product, a sector, and a region. Business areas are assigned to these strategies depending on their growth potential and value added by the capital employed, measured as Schaeffler Value Added (SVA).

Portfolio management



New growth areas still at the start of their life cycle are assigned to the **“Build”** portfolio strategy, whereas existing business areas that can be further expanded with suitably high capital efficiency are classed under the **“Grow”** strategy. Business areas with lower growth potential are more strongly focused on profitability and efficiency, and are assigned to the **“Harvest”** strategy. If certain areas are no longer core strategic activities, or are not sufficiently profitable, they are allocated to the **“Exit/Divest”** portfolio strategy. The additional **„Turnaround“** strategy clusters parts of the core business whose profitability is currently unsatisfactory but nevertheless offers long-term market potential.

Thus, the “4+1” portfolio strategies also drive the Schaeffler Group’s capital allocation process, which is primarily operationalized by managing investing activities, a key factor influencing free cash flow before cash in- and outflows for M&A activities. The investment amounts to be allocated are arrived at by linking the portfolio strategies directly to a framework for capital allocation.

Capital allocation management framework

Investment types / Portfolio fields	1 Growth [1]	2 Rationalization and quality	3 Replacement	4 Safety and regulatory	Total
A Build	✓			✓	
B Grow	✓	✓	✓	✓	
C Harvest		✓	✓	✓	
D Exit/Divest			✓	✓	
Total					Total investments

[1] Capacity expansion and new products.

This framework identifies four different investment types – **(1) growth investments**, **(2) rationalization & quality investments**, **(3) replacement investments**, and **(4) investments** required in order to comply with **regulatory requirements** or **ensure safety.** The four portfolio strategies and four investment types together form a matrix for the allocation of capital to the business areas under the fundamental principle of “earn the right to grow”.

M&A strategy

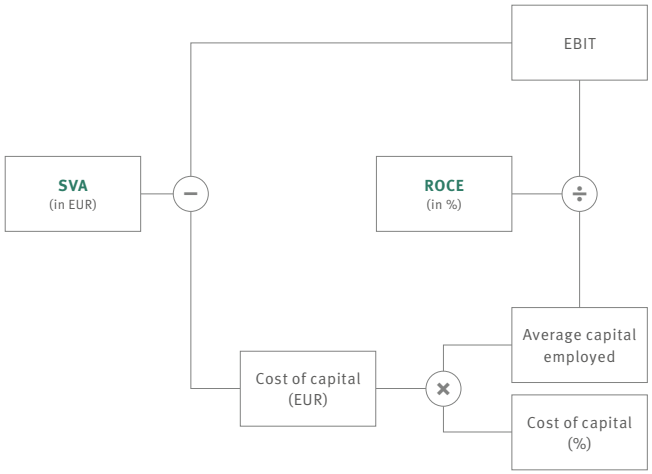
The Schaeffler Group pursues a strategy of mainly organic growth based on its existing technological expertise and innovative ability. Under this strategy, acquisitions are possible – in defined focus areas – if they expand the Schaeffler Group’s technological expertise or strengthen its current market position. At the core of this approach is an M&A radar that is applicable groupwide and defines several focus areas where the company is aiming to acquire expertise and generate inorganic growth both within the various divisions and across divisions.

The company’s search for opportunities to expand the profile of its expertise and its portfolio specifically targets these clearly defined areas. Following the successful merger with Vitesco, it focuses primarily on the acquisition of smaller targets intended to complement and strengthen the technology spectrum. Along with the qualitative evaluation of the entity potentially subject to an M&A transaction, the final assessment of whether the transaction is beneficial also includes a detailed quantitative analysis. In particular, the company pursues an acquisition only if the related expected return on capital employed exceeds a required minimum set internally. Specific risks such as country- or business-specific risks are taken into account, as is the maturity of the business, which may result in adjustments to the required minimum return in certain cases.

Group management

Generating an appropriate return on capital employed is essential to creating long-term value. **Schaeffler Value Added (SVA)** and **return on capital employed (ROCE)** are the prime indicators underlying the Schaeffler Group's value-based management. SVA and ROCE are additionally presented before special items for more transparency.

Schaeffler Value Added and return on capital employed



In periodic management, the Schaeffler Group operationalizes SVA and ROCE before special items using the following three key financial performance indicators:

Constant-currency revenue growth: This indicator measures the percentage change in revenue compared to the prior year based on constant exchange rates. It reflects the sales performance and represents a key metric of value added. This indicator is primarily used to better evaluate the company's market and competitive positions.

EBIT margin before special items: The EBIT margin before special items measures another key metric of value added by expressing the profitability of the sales performance. The company calculates earnings before special items, that is, excluding special items, in order to focus on operating performance.

Free cash flow before cash in- and outflows for M&A activities: Cash flow shows the change in cash and cash equivalents during a period, that is, whether cash and cash equivalents have increased or decreased. This change can be broken down into several categories. Free cash flow refers to the category that – if positive – is freely available to pay dividends and repay financial debt. At the Schaeffler Group, it comprises cash flows from operating activities, cash flows from investing activities, and principal repayments on lease liabilities, which are formally considered part of cash flows from financing activities. Therefore, this portion reflects all cash flows before dividends and changes in financial debt. The company uses free cash flow before cash in- and outflows for M&A activities in managing its operations. M&A activities comprise any acquisitions and disposals of subsidiaries, joint ventures, associated companies, and other equity investees as well as loans to joint ventures, associated companies, and other equity investees included in cash flows from investing activities. The Schaeffler Group also presents free cash flow before cash in- and outflows for M&A activities and before special items for more transparent presentation.

The three indicators form the basis for operating decisions. They are also the key financial performance indicators underlying the discussion in the group management report and the subject of the forecast.

More on trends in the indicators discussed above and the definition of special items under "Course of business" and "Earnings" on pp. 15 et seq.

Along with the three key financial performance indicators, the Schaeffler Group uses additional financial indicators. These include, for instance, the **reinvestment rate** which is the ratio of additions to intangible assets and property, plant and equipment to depreciation, amortization, and impairment losses (excluding depreciation of right-of-use assets under leases and impairments of goodwill). **FCF-conversion** is an indicator representing the ratio of free cash flow before cash in- and outflows for M&A activities to EBIT and illustrates how much cash flow is generated from book earnings. It is only presented if both amounts are positive. The net financial debt to EBITDA ratio before special items shows the ratio of net financial debt to EBITDA before special items. Net financial debt is the total of current and non-current financial debt net of cash and cash equivalents. Additional important indicators are the R&D ratio, the effective tax rate, the financial rating, as well as the dividend payout ratio which is determined based on net income before special items.

Along with financial indicators, management also uses indicators on quality, staff capacity (both headcount and full-time equivalents), delivery performance, and customer and employee satisfaction.

More on the non-financial indicators in the sustainability statement on pp. 40 et seq.

1.3 Research and development

The strategic direction of Motion Technology Company makes innovation a strategic priority of the Schaeffler Group, for example when it comes to products and services in the areas of electrified powertrains, chassis solutions, industrial applications, digitalization, renewable energy, and humanoid robotics. The merger with Vitesco and its complementary product and technology portfolios for E-Mobility as well as Powertrain & Chassis has generated additional new opportunities. The “Innovation to Business” R&D innovation strategy is aimed at identifying and developing opportunities for sustainable products in dynamic and complex market environments early on. This innovation strategy is based on eight innovation clusters that are geared to a clear focus on and evaluation of the market potential of new product ideas. A separate innovation cluster “Software-defined Solutions” focuses on the trend toward software-defined products. The innovation clusters are organized in a global project house. Industrialization follows the relevant customer and market requirements.

The **(1) innovation cluster Energy Solutions** develops new technologies for a sustainable energy chain. Its priorities are on developing new technology and components in the battery storage systems and energy supply field including hydrogen technology with a focus on electrolyzers. This includes developing electrochemical, electric, and mechanical components through to complete systems. A growing focus also consists of optimizing entire systems and developing diagnostic and monitoring solutions to maximize customer benefit.

The **(2) innovation cluster eDrive Solutions** focuses on innovative electric drive systems and their core components, i.e., electric motors, power electronics, mechanical transmission and bearing components, and software. Comprehensive systems know-how provides the ability to improve the range of electric and hybrid drives as well as their carbon footprint. Another focus is on presenting cost-attractive solutions. Being an automotive and industrial supplier, the Schaeffler Group utilizes synergies by applying its expertise in electric drives to other applications as well.

The **(3) innovation cluster Software-defined Solutions** focuses on solutions related to software-defined system architectures, product solutions derived from these solutions, and potential new business models. This logic is being applied to several market segments in order to identify future areas for innovation and leverage synergies there. The analysis still focuses on the software-defined vehicle megatrend with a view to zonal and central electrics an electronics architectures.

The **(4) innovation cluster Mobility Solutions** focuses, along with steering and damping systems, on new conceptual designs for less complex vehicle electrical architectures that result in considerably lower cost. Another focus is on adding vehicle drive functionalities for electric mobility. Additional cost reductions can be achieved through functions that can be integrated such as HV components, thermal management, or actuator elements. Furthermore, a vehicle brake integrated into the gearbox keeps it free of particles and eliminates the need for maintenance.

In the **(5) innovation cluster Robotics Solutions**, the Schaeffler Group develops components and system solutions for robotics applications, especially for humanoids. In 2025 it focused on mechatronic and electronic systems specifically tailored to the future requirements of these applications.

The **(6) innovation cluster Digital Solutions** prioritizes intelligent products, digital services, and AI-assisted product development. AI simulations and generative copilots speed up development and create an efficient digital working environment. When it comes to quantum computing, pilot projects are evaluating material and thermal simulations aimed at improving products. This includes developing sensor and control algorithms for precisely recording and controlling temperatures in electric axles based on machine learning. Additionally, the cluster is working on AI methodologies for automated recording of relevant vehicle dynamics metrics.

The **(7) innovation cluster Materials & Manufacturing Solutions** networks materials and manufacturing technologies to ensure optimum product functionality, focusing on innovation, efficiency, and sustainability of materials and processes. The portfolio includes, inter alia, AI-assisted improvement of materials and processes, high-performance materials, flexible manufacturing technologies, innovative joining processes, circular economy, and micro- and nanotechnology for electronics and energy storage systems.

The **(8) innovation cluster Smart & Autonomous Production** focuses on developing intelligent and scalable technologies for the autonomous, digital, and flexible production of the future. A particular priority is on developing and scaling Industrial Metaverse functionalities and technologies, including simulation and optimization of production concepts as well as virtual training of intelligent robotics systems based on physical AI. Artificial intelligence and AI-based robotics models are used to develop flexible and intelligent robotics solutions in various robotics form factors (e. g. dual arm or humanoid) and integrate them into production. Comprehensive implementation of smart automation solutions in the Schaeffler production system plays a key role in this.

The measures taken by the Schaeffler Group to safeguard its technological competitive ability include a global network of universities, companies, research institutions, and start-ups. This network concentrates on jointly developing strategic issues of the future. The Schaeffler Hub for Advanced Research (SHARE) program represents a global research network with leading universities. On-campus locations promote extensive sharing of information and close collaboration between Schaeffler staff

and scientists. The Schaeffler Group also has strategic long-term partnerships with institutions such as Fraunhofer-Gesellschaft as well as with successful start-up ecosystems.

Cooperating with start-ups is an integral component of the strategy for innovation. The Schaeffler Group evaluates future-oriented technologies and innovative business models, and realizes pilot projects that pay into the 8 innovation clusters, directly or indirectly, with start-ups, small and medium-sized businesses, as well as large corporate groups. The aim is to lay the basis for strategic cooperations to safeguard the Schaeffler Group's long-term technological leadership and future market success.

Comparability to the prior year was limited in 2025, since the amounts for research and development of the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the merger, were only fully consolidated from October 1 to December 31, 2024, in the prior year.

Research and development expenses

	2021	2022	2023	2024	2025
Research and development expenses (in € millions)	748	768	768	987	1,582
Research and development expenses (in % of revenue)	5.4	4.9	4.7	5.4	6.7
Average number of research and development staff	7,414	7,447	7,797	10,371	17,067

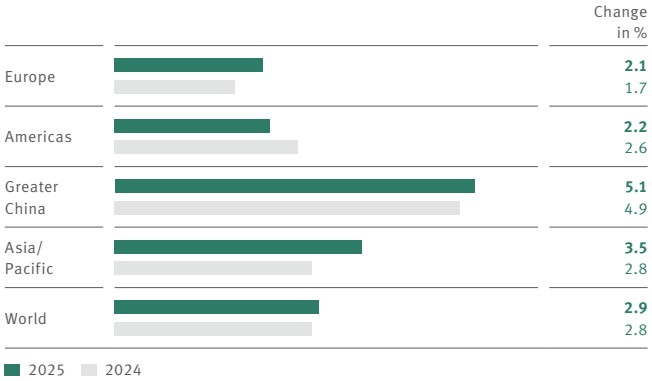
At the technology center in Herzogenaurach, 41 R&D centers (prior year: 34), and additional R&D locations in a total of 18 countries, the Schaeffler Group employed an average of 17,067 R&D staff (prior year: 10,371) in 2025. The Schaeffler Group filed 1,080 patent registrations with the German Patent and Trademark Office in 2024, making it the eighth most innovative company in Germany. Schaeffler Group employees internally reported 3,180 inventions in 2025 (prior year: 2,724).

2. Report on the economic position

2.1 Economic environment

Macroeconomic environment

Gross domestic product



Source: S&P Global Market Intelligence (January 2026).
Regions reflect the regional structure of the Schaeffler Group.

The development of the **global economy** in 2025 was significantly shaped by the protectionist trade policy of the U.S. that resulted in a marked increase in trade barriers and high uncertainty. Global growth in gross domestic product [1] (GDP) continued to prove resilient, however, buoyed especially by substantial front-loading of production and trade prior to the imposition of tariffs, extensive investment in artificial intelligence, and positive impulses from fiscal and monetary policy.

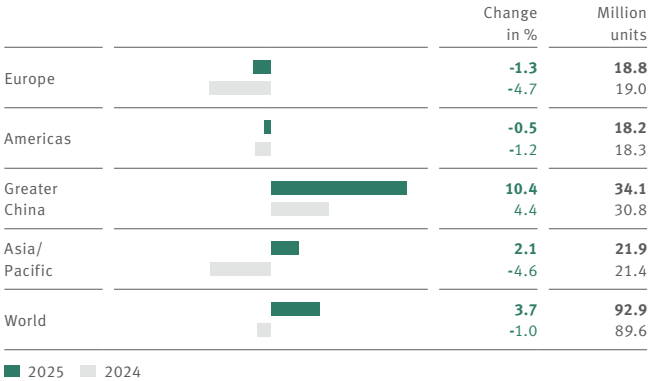
The U.S. once again generated the strongest economic growth among the G7 nations; however, the growth rate declined to 2.2%, based on preliminary estimates. Euro area GDP growth rose to 1.4%. While countries such as Germany and Italy reported only low growth, the growth rates of others, including Spain and especially Ireland, were considerably above average. The U.S. Federal Reserve and the European Central Bank lowered their key interest rates multiple times during the year. In China, GDP growth remained at 5.0% despite the severe trade disputes with the U.S.

While inflation in the euro area converged toward the central bank's target of 2% over the course of the year, it continued to exceed this target in a number of other economies, including the U.S. In China, in turn, deflationary tendencies were evident during much of the year.

In the **currency markets**, the euro rose against the U.S. dollar and the Chinese renminbi. On average, the euro was valued at USD 1.13 and CNY 8.12, respectively during the reporting period (prior year: USD 1.08 and CNY 7.79, respectively; European Central Bank).

Sector-specific environment

Automobile production



Source: S&P Global Mobility (January 2026).
Regions reflect the regional structure of the Schaeffler Group.

The number of units in **automobile production** [2] during the year, according to preliminary estimates, is significantly higher than originally expected. This was primarily due to the trend in China: Strong exports and buying incentives provided by the Chinese government that stimulated domestic demand resulted in strong growth in automobile production of 10.6%. Along with China, India also contributed noticeably to global growth in automobile production: With a considerable decrease in value-added tax stimulating domestic consumption, the number of vehicles produced in India during the year was 7.3% ahead of the prior year level.

[1] Measured as gross domestic product in real terms based on market exchange rates (S&P Global Market Intelligence [January 2026]). Includes content supplied by S&P Global Market Intelligence © [World Economic Service Forecast, January 2026]. All rights reserved.
[2] Measured as the number of vehicles up to six tons in weight manufactured (S&P Global Mobility [January 2026]). Includes content supplied by S&P Global © [IHS Markit Light Vehicle Production Forecast (Base), January 2026]. All rights reserved.

The U.S. import tariffs on vehicles imposed in April 2025, and in part subsequently adjusted, considerably weighed on exports to the U.S. by its most important trading partners Mexico, Canada, Japan, South Korea, and Germany. Against this backdrop, Japan was the only one of these countries reporting notable growth in automobile production for the year of 1.2%. In contrast, the number of vehicles produced in Germany stagnated slightly ahead of the prior year level (0.6%) while it declined in Mexico (-0.7%), South Korea (-0.9%), and especially Canada (-4.7%). In the U.S. itself, automobile production decreased by 0.6% in 2025. The decline in the Europe region reflected a general market weakness with numerous production countries – especially Spain (-5.3%) and the United Kingdom (-12.6%) – each reporting decreases in production.

Vehicle population

	Change in %	Million units	Average age
Europe	**2.0**	**559.0**	**13.5**
	1.8	548.2	13.3
Americas	**1.1**	**449.3**	**12.5**
	1.6	444.5	12.4
Greater China	**4.7**	**347.8**	**8.0**
	5.1	332.1	7.7
Asia/ Pacific	**2.5**	**262.2**	**10.6**
	2.6	255.8	10.4
World	**2.4**	**1,618.2**	**11.5**
	2.6	1,580.6	11.3

2025 2024

Source: S&P Global Mobility (November 2025).
Regions reflect the regional structure of the Schaeffler Group.

The growth in global **vehicle population** [1] reported for 2025 based on preliminary data is once again significantly attributable to above-average growth in China.

Within the Europe region, the vehicle population in Germany increased by 0.6% to 53.1 million units while the average age increased to 11.2 years. The U.S., the Americas region's most significant market by far, saw its vehicle population grow by 0.8% to 291.4 million units and the average age rise to 12.0 years. China, part of the Greater China region, experienced a marked 4.8% increase in vehicle population to 338.4 million units while the average age rose to 7.9 years. Within the Asia/Pacific region, the vehicle population in Japan expanded slightly, growing by 0.2% to 73.1 million units, while the average age increased to 9.5 years. India reported strong growth in vehicle population of 5.6% to 63.6 million units; the mean age rose to 8.9 years.

Industrial production in the mechanical engineering, transport equipment, and electrical equipment sectors

	Change in %
Europe	**0.8**
	-3.9
Americas	**2.9**
	-1.9
Greater China	**2.5**
	4.7
Asia/ Pacific	**2.2**
	-0.6
World	**2.1**
	0.2

2025 2024

Source: S&P Global Market Intelligence (January 2026).
Regions reflect the regional structure of the Schaeffler Group.

Despite the international trade disputes, business conditions in the global manufacturing industry improved slightly overall over the course of the year in a persistently volatile market situation. At the same time, procurement costs for companies rose across the board, with price pressure particularly pronounced in industrialized countries and supply chains remaining stretched. Preliminary estimates indicate that global **industrial production** grew by 3.1% in 2025 (S&P Global Market Intelligence, January 2026). [2] The strongest growth was reported by the Greater China region.

Global growth in industrial production in the sectors particularly relevant to the Schaeffler Group – mechanical engineering, transport equipment, and electrical equipment [3] – of 2.1% was held back by the weak trend of mechanical engineering. This subsector, by far the largest, experienced a global growth rate of merely 1.0%; while the Europe (0.8%), Greater China (1.6%), and Asia/Pacific (1.8%) regions each reported growth, mechanical engineering in the Americas region was 0.9% below the prior year level. The global increases in the transport equipment (4.4%) and electrical equipment (3.0%) subsectors were considerably higher than in mechanical engineering. The transport equipment subsector saw strong growth of 8.1% in the Americas region, primarily driven by the U.S. The Greater China and Asia/Pacific regions reported increases of 2.5% and 3.6%, respectively, while the Europe region merely experienced slight growth of 0.8%. The global increase in the electrical equipment subsector, in turn, was mainly driven by the Greater China region (4.9%). Growth amounted to 2.6% in the Asia/Pacific region and only 0.7% in the Europe region, while the Americas region saw a considerable decline of 5.2%.

1 Measured as the number of passenger cars and light commercial vehicles less than 3.5 tons in weight (S&P Global Mobility [November 2025]). Includes content supplied by S&P Global © [IHS Markit Vehicles in Operation (VIO) Forecast, November 2025]. All rights reserved.
2 Measured as value added in real terms (S&P Global Market Intelligence [January 2026]). Includes content supplied by S&P Global Market Intelligence © [Comparative Industry Service Forecast, January 2026]. All rights reserved.
3 Divisions 28 and 30 as well as group 271 of the ISIC Rev. 4 classification.

Procurement markets

The Schaeffler Group uses various materials in manufacturing its products, especially different types of steel, aluminum, copper, plastics, lubricants, and electronic components. Production is also dependent on energy, particularly natural gas and electricity. Procurement market price trends affect the Schaeffler Group's cost to varying degrees and normally with some delay, depending on the terms of the relevant supplier contracts. Especially in steel purchasing, most contracts are signed with terms of six or twelve months.

Procurement market trends over the course of the year were affected by international trade disputes and geopolitical tensions. In some procurement markets, tariffs or export restrictions resulted in pronounced price volatility and, especially in the case of electronic components, significant delivery failures. On an annual average basis, price trends were mixed in the procurement markets significant to the Schaeffler Group, since both rising and falling prices were reported. However, most prices remained high overall compared to the years before the coronavirus pandemic and the war in Ukraine.

Most annual average prices for cold- and hot-rolled steel in the procurement regions significant to the Schaeffler Group declined (S&P Global Market Intelligence, Pricing & Purchasing, January 2026). Europe, for instance, saw prices declining by approximately 5% and approximately 6%, respectively, and China by approximately 8% and approximately 9%, respectively. In contrast, the price of cold-rolled steel in the U.S. rose by approximately 1% while the annual average price of hot-rolled steel there increased approximately 9%. The annual average prices of both aluminum and copper were up approximately 9% (S&P Global Market Intelligence, Pricing & Purchasing, January 2026). Plastics and lubricants are often made based on crude oil. The annual average price of Brent crude oil was down approximately 14% from its prior year level (S&P Global Market Intelligence, Pricing & Purchasing, January 2026). In contrast, spot prices of natural gas in Europe and the U.S. were up approximately 6% and approximately 67%, respectively, from their comparative prior year basis (S&P Global Market Intelligence, Pricing & Purchasing, January 2026). Within the European Union, the close link between the prices of natural gas and electricity resulted in increases in most wholesale electricity prices in the spot markets (European Network of Transmission System Operators for Electricity, January 2026). [1]

2.2 Course of business 2025

Overall assessment of the 2025 business year by the Board of Managing Directors

In the view of the Board of Managing Directors, the Schaeffler Group brought 2025 to a satisfactory close in a still difficult economic environment. The focus was particularly on consistently continuing the transformation to successfully position the group for the future. In the view of the Board of Managing Directors, the merger of the Vitesco Technologies Group AG into Schaeffler AG as at October 1, 2024, and the subsequent integration further reinforced the group's positioning as a leading Motion Technology Company.

Starting in 2025, the Schaeffler Group's business activities are organized in four product-oriented divisions. Additionally, the company combines further business activities – including in the field of humanoid robotics and defense – in the "Others" division. The company's products and services have been assigned to eight product families. In the view of the Board of Managing Directors, presenting the extensive portfolio across the four operating divisions, the "Others" division, and eight product families for a broad customer portfolio in ten sectors as well as the pronounced technology capability highlight both the Schaeffler Group's high level of diversification and its resilience.

The program of measures initiated in the Europe region in 2024 to safeguard the company's competitiveness was continued in 2025 as planned. It is aimed at improving the results of the Bearings & Industrial Solutions division for the long term, successfully realizing synergies from the merger with Vitesco, and adapting capacities to the changed environment in the automotive supply industry.

At the Capital Markets Day on September 16, 2025, the Schaeffler Group presented its strategic direction for the coming years and communicated its mid-term targets for 2028 that were generally favorably received by the capital markets.

More on progress made with respect to sustainability in the sustainability statement on pp. 40 et seq.

[1] Data supplied by Ember (January 2026).

Results of operations compared to outlook 2025

The full-year outlook for 2025 was issued on February 18, 2025. The changes in this outlook are set out in the adjacent table.

The Schaeffler AG Board of Managing Directors adjusted the outlook on October 28, 2025, due to the favorable trend in free cash flow before cash in- and outflows for M&A activities. The company then expected it to be in the range of EUR 0 to 200 m for the full year 2025.

The considerable **revenue growth** of 32.9%, excluding the impact of currency translation, met the guidance. This growth was largely acquisition-driven, since the revenue of the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the merger, was only fully consolidated for the period from October 1 to December 31, 2024, in the prior year.

The **EBIT margin before special items** of 4.0% was within the range of the guidance.

Free cash flow before cash in- and outflows for M&A activities amounted to EUR 266 m.

Comparison to outlook 2025

	Actual 2024	Outlook 2025		Actual 2025
Schaeffler Group		issued February 18, 2025 [4]	issued October 28, 2025	
Revenue growth [1]	12.9%	considerable revenue growth	considerable revenue growth	32.9%
EBIT margin before special items [2]	4.5%	3 to 5%	3 to 5%	4.0%
Free cash flow [3]	EUR 363 m	EUR -200 to 0 m	EUR 0 to 200 m	EUR 266 m

1) Constant-currency revenue growth compared to prior year.
2) Please refer to pp. 23 et seq. for the definition of special items.
3) Before cash in- and outflows for M&A activities.
4) Confirmed on April 28, 2025, and July 28, 2025.

2.3 Earnings

Schaeffler Group earnings

Revenue was close to flat with the prior year level (-0.6% [1]) in 2025, compared on a pro-forma basis and excluding the impact of currency translation. Its diversified business activities enabled the Schaeffler Group to continue to largely offset disparate market trends and respond to a changing environment in 2025.

This is particularly evident in the E-Mobility and Powertrain & Chassis divisions: Although the global automotive market saw vehicle production increase in 2025, the structural shift in drive types continued. While production of vehicles with conventional drives declined considerably, manufacturing of electrified vehicles rose considerably. In this context, the **E-Mobility division** generated revenue growth of 7.0% [1], compared on a pro-forma basis and excluding the impact of currency translation, driven by product ramp-ups and rising demand. In contrast, the **Powertrain & Chassis division** experienced a 5.2% [1] decrease in revenue, compared on a pro-forma basis and excluding the impact of currency translation, that was primarily attributable to a decline in demand for conventional drives. **Vehicle Lifetime Solutions division** revenue grew by 5.0% [1], compared on a pro-forma basis and excluding the impact of currency translation, mainly as a result of higher volumes. The **Bearings & Industrial Solutions division** reported slight revenue growth of 0.7% [1], compared on a pro-forma basis and excluding the impact of currency translation, that was primarily attributable to a favorable trend within the Wind sector and the Aerospace Bearings business division.

The **EBIT margin before special items** was slightly above the prior year's, compared on a pro-forma basis. The net income (loss) from equity-accounted investments in 2024 relates to the investment in Vitesco Technologies Group AG for the first nine months of 2024 and was assigned to the Others division.

in € millions	2025	2024	Change in %	Pro-forma comparison [1] in %
Revenue	**23,492**	**18,188**	**29.2**	**-3.4**
• at constant currency			32.9	-0.6
Revenue by division				
E-Mobility	5,015	2,246	› 100	4.1
• at constant currency			› 100	7.0
Powertrain & Chassis	8,900	6,509	36.7	-7.8
• at constant currency			40.6	-5.2
Vehicle Lifetime Solutions	3,038	2,706	12.3	2.6
• at constant currency			14.9	5.0
Bearings & Industrial Solutions	6,368	6,526	-2.4	-2.4
• at constant currency			0.7	0.7
Others	171	201	-15.1	-51.9
• at constant currency			-13.0	-50.7
Revenue by region [2]				
Europe	10,924	8,141	34.2	-3.0
• at constant currency			35.1	-2.3
Americas	5,315	4,099	29.7	-2.7
• at constant currency			36.5	2.4
Greater China	4,033	3,500	15.2	-6.7
• at constant currency			18.4	-4.2
Asia/Pacific	3,220	2,449	31.5	-1.4
• at constant currency			40.2	5.1
Cost of sales	-19,170	-14,356	33.5	-2.5
Gross profit	**4,321**	**3,832**	**12.8**	**-6.9**
• in % of revenue	18.4	21.1	–	19.1 [3]
Research and development expenses	-1,582	-987	60.3	
Selling and administrative expenses	-2,466	-2,007	22.9	
Other income and expense	19	-452	–	
Income (loss) from equity-accounted investees [4]	2	-93	–	
Earnings before financial result and income taxes (EBIT)	**295**	**294**	**0.3**	**-5.5**
• in % of revenue	1.3	1.6	–	1.3 [3]
Special items [5]	640	517	23.9	20.9
EBIT before special items	**936**	**811**	**15.3**	**11.1**
• in % of revenue	4.0	4.5	–	3.5 [3]
Financial result	-315	-291		
Income taxes	-372	-608		
Net loss [6]	-424	-632		
Earnings per share (basic/diluted, in €)	-0.45	-0.86		

[1] Unaudited amounts on comparable basis. Please refer to the related discussion on page i25.
[2] Based on market (customer location).
[3] Not a comparative amount; relevant prior year earnings measure underlying pro-forma comparison in % of revenue.
[4] Income (loss) from equity-accounted investees for 2024 was not allocated to the operating divisions but instead remained in the Others division.
[5] Please refer to pp. 23 et seq. for the definition of special items.
[6] Attributable to shareholders of the parent company.

The Schaeffler Group's financial result deteriorated by EUR 24 m to EUR -315 m in 2025.

Schaeffler Group financial result

in € millions	2025	2024
Interest income and expense [1]	-274	-275
Gains and losses on derivatives and foreign exchange	14	-2
Interest income and expense on pensions and partial retirement obligations	-84	-68
Other	29	53
Total	**-315**	**-291**

[1] Incl. amortization of transaction costs.

Interest income and expense consisted primarily of EUR 295 m (prior year: EUR 275 m) in interest expense on financial debt. Interest income on term deposits had an offsetting impact. The increase in interest expense on financial debt was due to the increase in nominal debt.

More on financing activities on pp. 27 et seq.

In 2025, netting foreign exchange gains of EUR 365 m (prior year: EUR 185 m) and losses of EUR 350 m (prior year: EUR 186 m) resulted in a gain of EUR 14 m (prior year: loss of EUR 2 m).

Interest income and expense on pensions and partial retirement obligations resulted in EUR 84 m in expenses for the reporting period (prior year: EUR 68 m). The increase is largely attributable to the merger with Vitesco Technologies Group AG.

Income tax expense amounted to EUR 372 m in 2025 (prior year: EUR 608 m), resulting in an effective tax rate of -1,918.4% (prior year: 22,127.4%). The reduction in the effective tax rate compared to the prior year was primarily due to the change in the adverse impact of derecognized and unrecognized deferred taxes on temporary differences and loss and interest carry-forwards.

The net loss attributable to shareholders of the parent company for 2025 amounted to EUR 424 m (prior year: EUR 632 m). **Net income before special items** was EUR 148 m (prior year: EUR 93 m).

The Board of Managing Directors and the Supervisory Board will propose a dividend of EUR 0.30 per share for 2025 (prior year: EUR 0.25) to the annual general meeting.

Basic and diluted **earnings per share** amounted to EUR -0.45 in 2025 (prior year: EUR -0.86).

ROCE before special items increased slightly to 7.5% (prior year: 7.2%); **Schaeffler Value Added before special items (SVA)** amounted to EUR -319 m (prior year: EUR -322 m), with the improved EBIT before special items more than offsetting the increase in average capital employed.

E-Mobility division earnings

Revenue increased by 7.0% [1] in 2025, compared on a pro-forma basis and excluding the impact of currency translation. This growth was driven by product ramp-ups in particular, partly due to increasing production of electrified vehicles. Revenue was up in nearly all regions with only Greater China reporting a decline.

Revenue for the **Electric Drives BD** rose by a considerable 13.3% [1], compared on a pro-forma basis and excluding the impact of currency translation. This growth resulted from product-ramp ups in the Europe and Americas regions in particular. Decreases due to product phase-outs in Greater China were more than offset by the ramp-up of their successor generation in the Asia/Pacific region. The **Controls BD** increased its revenue by 7.5% [1], compared on a pro-forma basis and excluding the impact of currency translation, supported by product ramp-ups in almost all regions, with Greater China the exception. In contrast, the **Mechatronics & Modules BD** experienced a 5.2% [1] revenue decrease, compared on a pro-forma basis and excluding the impact of currency translation, that was primarily due to lower volumes of a few projects in the Europe region.

The **EBIT margin before special items** improved in 2025, compared on a pro-forma basis, mainly due to volume growth. A market-driven capacity adjustment in the Americas region gave rise to an expense recognized in gross profit and treated as a special item in EBIT in 2025.

in € millions	2025	2024	Change in %	Pro-forma comparison [1] in %
Revenue	**5,015**	**2,246**	**› 100**	**4.1**
• at constant currency			› 100	7.0
Revenue by business division				
Electric Drives	1,545	839	84.2	10.8
• at constant currency			88.4	13.3
Controls	2,718	688	› 100	4.4
• at constant currency			› 100	7.5
Mechatronics & Modules	752	719	4.7	-7.9
• at constant currency			7.8	-5.2
Revenue by region [2]				
Europe	2,593	961	› 100	8.5
• at constant currency			› 100	8.6
Americas	834	381	› 100	7.9
• at constant currency			› 100	13.3
Greater China	765	594	28.9	-18.0
• at constant currency			34.8	-14.2
Asia/Pacific	823	310	› 100	14.1
• at constant currency			› 100	22.5
Cost of sales	-4,918	-2,285	› 100	3.5
Gross profit	**98**	**-39**	**–**	**51.2**
• in % of revenue	1.9	-1.7	–	1.3 [3]
Research and development expenses	-700	-365	91.8	
Selling and administrative expenses	-407	-188	› 100	
Other income and expense	54	-135	–	
EBIT	**-956**	**-728**	**31.3**	**-23.0**
• in % of revenue	-19.1	-32.4	–	-25.8 [3]
Special items [4]	151	156	-3.2	-13.6
EBIT before special items	**-805**	**-572**	**40.7**	**-24.5**
• in % of revenue	-16.0	-25.5	–	-22.1 [3]

Prior year information presented based on 2025 segment structure.
[1] Unaudited amounts on comparable basis. Please refer to the related discussion on page i25.
[2] Based on market (customer location).
[3] Not a comparative amount; relevant prior year earnings measure underlying pro-forma comparison in % of revenue.
[4] Please refer to pp. 23 et seq. for the definition of special items.

Powertrain & Chassis division earnings

Revenue declined by 5.2% [1] in 2025, compared on a pro-forma basis and excluding the impact of currency translation. The main driver was weak demand from established Western automobile manufacturers in the Europe region. The strategic streamlining of the portfolio had an additional impact.

Engine and Transmission Systems BD revenue fell by 1.5% [1], compared on a pro-forma basis and excluding the impact of currency translation, which was mainly attributable to the weak market environment in the Europe region. Revenue in the Greater China and Americas regions increased, on the other hand, and exceeded the relevant market average. The **Powertrain Solutions BD** reported a 9.2% [1] decrease in revenue, compared on a pro-forma basis and excluding the impact of currency translation, primarily in the Europe region. The reasons behind this were lower customer call-offs due to the weak trend in the market for vehicles with internal combustion engines and the strategic streamlining of the product portfolio. This was contrasted by considerable growth reported for the Asia/Pacific region. **Chassis Systems BD** revenue was down 9.6% [1], compared on a pro-forma basis and excluding the impact of currency translation, resulting from the Europe and Americas regions.

The **EBIT margin before special items** decreased, compared on a pro-forma basis, primarily due to adverse trends in volumes and foreign exchange rates that were partly offset by favorable one-off impacts. An impairment loss on intangible assets at the Chassis Systems BD was recognized in gross profit and treated as a special item in EBIT in 2025.

in € millions	2025	2024	Change in %	Pro-forma comparison [1] in %
Revenue	**8,900**	**6,509**	**36.7**	**-7.8**
• at constant currency			40.6	-5.2
Revenue by business division				
Engine & Transmission Systems	4,792	5,032	-4.8	-4.6
• at constant currency			-1.6	-1.5
Powertrain Solutions	3,709	1,028	› 100	-11.3
• at constant currency			› 100	-9.2
Chassis Systems	399	450	-11.2	-11.1
• at constant currency			-9.6	-9.6
Revenue by region [2]				
Europe	3,542	2,521	40.5	-11.3
• at constant currency			40.4	-11.4
Americas	2,541	1,784	42.5	-5.4
• at constant currency			49.3	-0.8
Greater China	1,635	1,297	26.0	-6.3
• at constant currency			31.3	-2.4
Asia/Pacific	1,182	906	30.4	-4.0
• at constant currency			37.7	1.4
Cost of sales	-6,986	-4,940	41.4	-6.9
Gross profit	**1,914**	**1,568**	**22.0**	**-11.1**
• in % of revenue	21.5	24.1	–	22.3 [3]
Research and development expenses	-532	-349	52.7	
Selling and administrative expenses	-664	-434	53.2	
Other income and expense	7	-61	–	
Income (loss) from equity-accounted investees	1	0	–	0.0
EBIT	**725**	**725**	**0.0**	**-27.1**
• in % of revenue	8.1	11.1	–	10.3 [3]
Special items [4]	208	96	› 100	95.9
EBIT before special items	**933**	**821**	**13.6**	**-15.2**
• in % of revenue	10.5	12.6	–	11.4 [3]

Prior year information presented based on 2025 segment structure.
[1] Unaudited amounts on comparable basis. Please refer to the related discussion on page i25.
[2] Based on market (customer location).
[3] Not a comparative amount; relevant prior year earnings measure underlying pro-forma comparison in % of revenue.
[4] Please refer to pp. 23 et seq. for the definition of special items.

Vehicle Lifetime Solutions division earnings

Revenue increased by 5.0% [1] in 2025, compared on a pro-forma basis and excluding the impact of currency translation, largely due to the impact of volumes.

The **Repair & Maintenance Solutions BD** grew its revenue by 4.2% [1], compared on a pro-forma basis and excluding the impact of currency translation, with above-average contributions made by the Asia/Pacific and Americas regions. **Platform Business BD** revenue increased by a considerable 31.8% [1], compared on a pro-forma basis and excluding the impact of currency translation, driven by the Greater China, Asia/Pacific, and Europe regions. **Specialty Business BD** revenue grew by 2.9% [1], compared on a pro-forma basis and excluding the impact of currency translation, due to the increase at the Asia/Pacific and Americas regions in particular.

The **EBIT margin before special items** was flat with prior year, compared on a pro-forma basis. The adverse impact of the revenue mix and foreign exchange rates was offset by a favorable impact of volumes and prices.

in € millions	2025	2024	Change in %	Pro-forma comparison [1] in %
Revenue	**3,038**	**2,706**	**12.3**	**2.6**
• at constant currency			14.9	5.0
Revenue by business division				
Repair & Maintenance Solutions	2,088	2,013	3.7	1.9
• at constant currency			6.0	4.2
Platform Business	163	130	25.9	26.0
• at constant currency			31.6	31.8
Specialty Business	787	563	39.8	0.6
• at constant currency			42.9	2.9
Revenue by region [2]				
Europe	2,007	1,772	13.2	4.2
• at constant currency			13.2	4.2
Americas	613	556	10.2	-2.0
• at constant currency			18.9	5.7
Greater China	196	176	11.0	0.0
• at constant currency			15.5	4.1
Asia/Pacific	223	201	10.8	3.9
• at constant currency			18.3	11.0
Cost of sales	-2,079	-1,844	12.7	2.4
Gross profit	**959**	**862**	**11.3**	**3.1**
• in % of revenue	31.6	31.9	–	31.4 [3]
Research and development expenses	-40	-25	64.1	
Selling and administrative expenses	-511	-439	16.5	
Other income and expense	2	-8	–	
EBIT	409	390	4.8	1.4
• in % of revenue	13.5	14.4	–	13.6 [3]
Special items [4]	40	27	47.1	12.0
EBIT before special items	**450**	**418**	**7.6**	**2.3**
• in % of revenue	14.8	15.4	–	14.8 [3]

Prior year information presented based on 2025 segment structure.
[1] Unaudited amounts on comparable basis. Please refer to the related discussion on page i25.
[2] Based on market (customer location).
[3] Not a comparative amount; relevant prior year earnings measure underlying pro-forma comparison in % of revenue.
[4] Please refer to pp. 23 et seq. for the definition of special items.

Bearings & Industrial Solutions division earnings

Revenue increased slightly in 2025, rising by 0.7% [1], compared on a pro-forma basis and excluding the impact of currency translation, primarily supported by favorable trends within the Wind sector and the Aerospace Bearings business division.

Industrial Bearings BD revenue remained stable, compared on a pro-forma basis and excluding the impact of currency translation, with growth in the Wind sector in the Greater China and Asia/Pacific regions offsetting the market-driven declines in the Europe region. **Automotive Bearings BD** revenue declined by 1.1% [1], compared on a pro-forma basis and excluding the impact of currency translation, largely due to the weak market environment in Europe and Asia/Pacific, while the Greater China region generated growth. **Linear Motion BD** revenue remained stable, compared on a pro-forma basis and excluding the impact of currency translation. The **Aerospace Bearings BD** reported considerable revenue growth of 23.5% [1], compared on a pro-forma basis and excluding the impact of currency translation, that was primarily driven by the Europe and Americas regions.

The **EBIT margin before special items** increased, compared on a pro-forma basis, primarily as a result of improved operating performance, particularly at the production plants. The prior year gross margin had benefited from the favorable impact of a change in accounting estimate regarding the valuation of inventories that was treated as a special item in EBIT.

in € millions	2025	2024	Change in %	Pro-forma comparison [1] in %
Revenue	**6,368**	**6,525**	**-2.4**	**-2.4**
• at constant currency			0.7	0.7
Revenue by business division				
Industrial Bearings	3,080	3,182	-3.2	-3.2
• at constant currency			0.0	0.0
Automotive Bearings	2,522	2,632	-4.2	-4.2
• at constant currency			-1.1	-1.1
Linear Motion	400	405	-1.3	-1.3
• at constant currency			0.4	0.4
Aerospace Bearings [2]	366	306	19.3	19.3
• at constant currency			23.5	23.5
Revenue by region [3]			**0.0**	**0.0**
Europe	2,680	2,730	-1.8	-1.8
• at constant currency			0.8	0.8
Americas	1,318	1,381	-4.6	-4.6
• at constant currency			0.3	0.3
Greater China	1,413	1,400	0.9	0.9
• at constant currency			0.8	0.8
Asia/Pacific	957	1,014	-5.6	-5.6
• at constant currency			1.2	1.2
Cost of sales	-4,947	-5,044	-1.9	-1.2
Gross profit	**1,420**	**1,482**	**-4.2**	**-6.3**
• in % of revenue	22.3	22.7	–	23.2 [4]
Research and development expenses	-243	-218	11.5	
Selling and administrative expenses	-861	-922	-6.6	
Other income and expense	-19	-200	-90.4	
EBIT	**297**	**142**	**› 100**	**11.3**
• in % of revenue	4.7	2.2	–	4.1 [4]
Special items [5]	178	163	9.1	5.7
EBIT before special items	**475**	**305**	**55.6**	**9.1**
• in % of revenue	7.5	4.7	–	6.7 [4]

Prior year information presented based on 2025 segment structure.
[1] Unaudited amounts on comparable basis. Please refer to the related discussion on page i25.
[2] Separate business division since the second quarter of 2025. Aerospace Bearings BD revenue was previously presented under the Industrial Bearings BD. The prior year amounts were adjusted accordingly.
[3] Based on market (customer location).
[4] Not a comparative amount; relevant prior year earnings measure underlying pro-forma comparison in % of revenue.
[5] Please refer to pp. 23 et seq. for the definition of special items.

Performance indicators and special items

The information on the Schaeffler Group's earnings, net assets, and financial position is based on International Financial Reporting Standards (IFRS) and, where applicable, on German commercial law and German Accounting Standards (GAS).

In addition to the disclosures required by these standards, the Schaeffler Group also discloses certain performance indicators that are not defined in the relevant financial reporting standards. These measures are presented in accordance with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA). They represent supplemental information that is designed to provide comparability both over time and across sectors. To this end, certain adjustments are made and ratios are calculated between line items contained in the income statement, statement of financial position, and statement of cash flows prepared in accordance with applicable financial reporting standards.

A detailed discussion of performance indicators can be found in the "Group management" chapter on pp. 10 et seq.

The **restructuring** category primarily includes expenses recognized in connection with the structural measures in Europe (EUR 118 m). Additionally, EUR 126 m in expenses for market-driven capacity adjustments by the E-Mobility division in the Americas region were recognized in this category.

The **M&A** category includes integration expenses incurred in connection with the merger of Vitesco Technologies Group AG into Schaeffler AG. This category also contains impairment losses on entities the company intends to sell.

Reconciliation

	2025	2024	2025	2024 [1)]	2025	2024 [1)]	2025	2024 [1)]	2025	2024 [1)]	2025	2024 [1)]
Income statement (in € millions)		Total		E-Mobility		Powertrain & Chassis		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others
EBIT	**295**	**294**	**-956**	**-728**	**725**	**725**	**409**	**390**	**297**	**142**	**-181**	**-236**
• in % of revenue	1.3	1.6	-19.1	-32.4	8.1	11.1	13.5	14.4	4.7	2.2	-105.7	-117.1
Special items	**640**	**517**	**151**	**156**	**208**	**96**	**40**	**27**	**178**	**163**	**63**	**75**
• Legal cases	6	0	0	0	0	0	6	0	0	0	0	0
• Restructuring	254	487	91	143	19	104	-2	21	121	215	25	2
• M&A	89	83	24	11	29	13	16	13	20	17	0	30
• Energy derivatives and forward exchange contracts	-42	28	-8	6	-14	4	-5	2	-15	12	-0	3
• Impairments	338	39	45	0	176	0	26	0	53	0	38	39
• Other	-4	-119	-1	-4	-2	-25	-1	-9	-1	-81	0	0
EBIT before special items	**936**	**811**	**-805**	**572**	**933**	**821**	**450**	**418**	**475**	**305**	**-117**	**-161**
• in % of revenue	4.0	4.5	-16.0	-25.5	10.5	12.6	14.8	15.4	7.5	4.7	-68.7	-80.1

The **energy derivatives and forward exchange contracts** category comprises, in particular, unrealized fair value gains incurred on forward exchange contracts that are not subject to cash flow hedge accounting and are used to hedge currency risk related to operations.

The **impairments** category contains, in particular, EUR 200 m in expenses resulting from amortization of the capitalized acquisition cost of the on-premise version of SAP operations which were converted to a cloud-based solution in the fourth quarter of 2025. Additionally, an impairment loss of EUR 100 m on intangible assets at the Chassis Systems BD was recognized in this category.

Reconciliation

	2025	2024
Income statement (in € millions)		Total
EBIT	**295**	**294**
• in % of revenue	1.3	1.6
Special items	**640**	**517**
• Legal cases	6	0
• Restructuring	254	487
• M&A	89	83
• Energy derivatives and forward exchange contracts	-42	28
• Impairments	338	39
• Other	-4	-119
EBIT before special items	**936**	**811**
• in % of revenue	4.0	4.5
Net loss [2]	**-424**	**-632**
Special items	**572**	**725**
• Legal cases	6	0
• Restructuring	254	487
• M&A	89	83
• Energy derivatives and forward exchange contracts	-42	28
• Impairments	338	39
• Other	-4	-119
• Derecognition of deferred tax assets	-7	352
– Tax effect [3]	-62	-145
Net income before special items [2]	**148**	**93**

	12/31/2025	12/31/2024
Statement of financial position (in € millions)		
Net financial debt	4,915	4,834
/ EBITDA	2,071	1,419
Net financial debt to EBITDA ratio	**2.4**	**3.4**
Net financial debt	4,915	4,834
/ EBITDA before special items	2,317	1,897
Net financial debt to EBITDA ratio before special items	**2.1**	**2.5**

	2025	2024
Statement of cash flows (in € millions)		Total
EBITDA	**2,071**	**1,419**
Special items	**246**	**478**
• Legal cases	6	0
• Restructuring	212	487
• M&A	74	83
• Energy derivatives and forward exchange contracts	-42	28
• Other	-4	-119
EBITDA before special items	**2,317**	**1,897**
Free cash flow (FCF)	**236**	**-779**
-/+ Cash in- and outflows for M&A activities	30	1,142
FCF before cash in- and outflows for M&A activities	**266**	**363**
/ EBIT	295	294
FCF-conversion [4]	**0.9**	**1.2**
FCF before cash in- and outflows for M&A activities	266	363
Special items	**238**	**206**
• Legal cases	0	45
• Restructuring	167	75
• Other	71	86
FCF before cash in- and outflows for M&A activities and before special items	**503**	**569**

Value-based management (in € millions)		
EBIT	295	294
/ Average capital employed	12,543	11,335
ROCE (in %)	**2.4**	**2.6**
EBIT before special items	936	811
/ Average capital employed	12,543	11,335
ROCE before special items (in %)	**7.5**	**7.2**
EBIT	295	294
– Cost of capital	1,254	1,134
Schaeffler Value Added (SVA)	**-959**	**-839**
EBIT before special items	936	811
– Cost of capital	1,254	1,134
SVA before special items	**-319**	**-322**

[1] Prior year information presented based on 2025 segment structure.
[2] Attributable to shareholders of the parent company.
[3] Based on each entity's specific tax rate and country-specific tax environment.
[4] Only reported if free cash flow before cash in- and outflows for M&A activities and EBIT positive.

2.4 Financial position and finance management

Cash flow and liquidity

Cash flow

in € millions	2025	2024	Change in %
Cash flows from operating activities	1,355	1,390	-2.5
Cash used in investing activities	-988	-2,084	-52.6
• including acquisition of subsidiaries	-1	304	–
• including acquisition of interests in joint ventures, associated companies, and other equity investments	-30	-1,246	-97.6
• including disposal of interests in joint ventures and other equity investments	1	4	-62.5
• including loans to joint ventures, associated companies, and other equity investees	0	-203	-100
Cash provided by financing activities	812	1,188	-31.7
• including principal repayments on lease liabilities	-131	-84	55.9
Net increase (decrease) in cash and cash equivalents	**1,179**	**493**	**› 100**
Effect of foreign exchange rate changes on cash and cash equivalents	-88	19	–
Cash and cash equivalents as at beginning of period	1,281	769	66.6
Cash and cash equivalents as at December 31	**2,372**	**1,281**	**85.2**
Less cash and cash equivalents classified as assets held for sale as at December 31	-1	0	–
Cash and cash equivalents as at December 31 (consolidated statement of financial position)	**2,371**	**1,281**	**85.1**
Free cash flow (FCF)	**236**	**-779**	–
Free cash flow (FCF) before cash in- and outflows for M&A activities	**266**	**363**	**-26.9**

Comparability to the prior year was limited in 2025, since the **free cash flow before cash in- and outflows for M&A activities** of the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the merger, was only fully consolidated from October 1 to December 31, 2024, in the prior year. Free cash flow before cash in- and outflows for M&A activities for 2025 amounted to EUR 266 m and improved considerably, compared on a pro-forma basis. This improvement was partly due to a cautious capital expenditure policy overall.

Please refer to page 26 for information on investing activities in intangible assets and property, plant and equipment.

Cash provided by financing activities includes the dividends of EUR 248 m (prior year: EUR 306 m) paid in the second quarter of 2025. Additionally, EUR 1,191 m in cash was provided by changes in financial debt (prior year: EUR 1,584 m).

More on financing activities on pp. 27 et seq.

Cash and cash equivalents increased by EUR 1,090 m to EUR 2,371 m as at December 31, 2025.

At December 31, 2025, cash and cash equivalents consisted primarily of bank balances and short-term deposits. EUR 353 m (prior year: EUR 308 m) of this amount related to countries with foreign exchange restrictions and other legal and contractual restrictions. In addition, the Schaeffler Group has a revolving credit facility of EUR 3.0 bn (prior year: EUR 3.0 bn). Further, the Schaeffler Group had bilateral lines of credit totaling EUR 499 m (prior year: EUR 342 m) of which EUR 203 m was drawn as at December 31, 2025. Deducting bank balances in countries with foreign exchange restrictions and other legal and contractual restrictions results in total available liquidity of EUR 5,068 m.

Investing activities

Approx. 44% of additions to intangible assets and property, plant and equipment for the year related to the **E-Mobility division**, approx. 27% to the **Powertrain & Chassis division**, approx. 4% to the **Vehicle Lifetime Solutions division**, approx. 23% to the **Bearings & Industrial Solutions division**, and approx. 2% to the **Others division**.

Additions to intangible assets and property, plant and equipment [1]

in € millions	2025	2024
Schaeffler Group	**974**	**1,120**
E-Mobility	430	303
Powertrain & Chassis	261	339
Vehicle Lifetime Solutions	38	56
Bearings & Industrial Solutions	228	400
Others	16	22

[1] Translated at the relevant average exchange rate.

As the additions to intangible assets and property, plant and equipment of Vitesco Technologies Group AG and its former subsidiaries are not included in the figures for the first nine months of 2024, comparability was limited.

Reinvestment rate [1]

in € millions	2025	2024 [2]
Schaeffler Group	**0.59**	**1.14**
E-Mobility	0.97	2.08
Powertrain & Chassis	0.40	0.83
Vehicle Lifetime Solutions	0.52	1.46
Bearings & Industrial Solutions	0.54	0.88

[1] The reinvestment rate is the ratio of additions to intangible assets and property, plant and equipment to depreciation, amortization, and impairment losses (excluding depreciation of right-of-use assets under leases and impairments of goodwill).
[2] 2024: Pro-forma reinvestment rate. Unaudited amounts on comparable basis. Please refer to the related discussion on page i25.

Additions to intangible assets and property, plant and equipment amounted to EUR 974 m in 2025 and were significantly lower than in the prior year, compared on a pro-forma basis.

The following discussion of the divisions is based on **comparison on a pro-forma basis**.

The **E-Mobility division** continued to deliberately invest in new series start-ups and expanding production capacity for subsequent years in 2025. Especially the Europe and Greater China regions made additions to intangible assets and property, plant and equipment in connection with larger customer orders. The Americas region primarily implemented building-related measures in production and development in the second half of 2025. The reinvestment rate declined from the prior year since the division had invested more extensively in preparations for new series start-ups in 2024.

The **Powertrain & Chassis division** focused its additions to intangible assets and property, plant and equipment for the year mainly on expanding production capacity and introducing new product start-ups. Total additions to intangible assets and property, plant and equipment were less than in the prior year as a phase of large construction projects was brought to an end.

The **Vehicle Lifetime Solutions division** deliberately invested in expanding and automating logistics capacity in the Europe region, in particular, in 2025.

The **Bearings & Industrial Solutions division** invested particularly in expanding manufacturing plants and in new product start-ups during the year. A further focus was on additions made to maintain and improve existing capacity. Due to the market environment and existing capacity, the division invested less in expanding capacity.

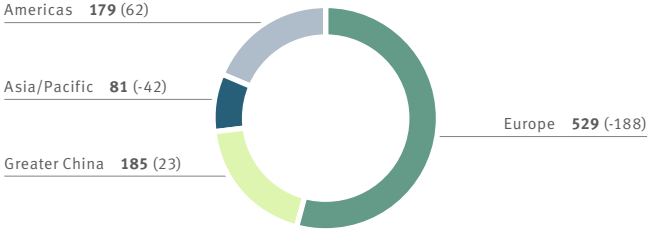
The company continued to deliberately invest in the two key strategic topics of sustainability and digitalization under the "Roadmap 2025" in 2025. The decrease in the volume of additions in 2025 is mainly due to the company investing in the cross-divisional technology center at the Schaeffler Group's corporate headquarters and in the implementation of SAP S/4HANA in the prior year.

More on the subprograms on pp. 7 et seq.

At December 31, 2025, the Schaeffler Group had open commitments under fixed contracts to purchase property, plant and equipment of EUR 189 m (prior year: EUR 290 m).

Schaeffler Group capital expenditures [1] by region

in € millions (change from prior year in € millions)



[1] Additions to intangible assets and property, plant and equipment.

Financial debt

The Schaeffler Group's net financial debt increased by EUR 81 m to EUR 4,915 m (prior year: EUR 4,834 m) in 2025.

in € millions	12/31/2025	12/31/2024	Change in %
Bonds	5,214	4,070	28.1
Schuldschein loans	208	429	-51.6
Term loans	1,859	1,604	15.9
Other financial debt	6	11	-50.9
Financial debt	**7,286**	**6,115**	**19.1**
Cash and cash equivalents	2,371	1,281	85.1
Net financial debt	**4,915**	**4,834**	**1.7**

The net financial debt to EBITDA ratio, defined as the ratio of net financial debt to earnings before financial result, income taxes, depreciation, amortization, and impairment losses (EBITDA), amounted to 2.4 as at December 31, 2025 (December 31, 2024: 3.4). The net financial debt to EBITDA ratio before special items was 2.1 (December 31, 2024: 2.5).

On January 24, 2025, Schaeffler AG drew down in full the EUR 45 m loan under a loan agreement with KfW IPEX-Bank signed in December 2024.

On March 17, 2025, Schaeffler AG redeemed two outstanding Schuldschein tranches with a total principal of EUR 55 m upon maturity.

Schaeffler AG issued a total of EUR 1.15 bn in bonds under its debt issuance program on March 25, 2025. The transaction consisted of two tranches (EUR 550 m with a coupon of 4.250%, due in April 2028, and EUR 600 m with a coupon of 5.375%, due in April 2031). The issuance was settled on April 1, 2025, and the new bonds are listed on the Luxembourg Stock Exchange. The proceeds of the issuance serve general corporate and financing purposes, including redeeming the Schuldschein loans due in May 2025 and the bond series due in October 2025.

Schaeffler AG signed a further EUR 45 m loan agreement with KfW IPEX-Bank in the second quarter of 2025 and drew down the full amount on April 23, 2025.

On May 12, 2025, Schaeffler AG redeemed further Schuldschein loans with a total principal of EUR 167 m upon maturity.

Furthermore, the Schaeffler Group entered into and drew down three lines of credit totaling approximately EUR 176 m in June 2025.

On October 13, 2025, Schaeffler AG redeemed an outstanding bond series of EUR 750 m upon maturity.

On November 5, 2025, Schaeffler AG issued another bond series with a principal of EUR 750 m and a coupon of 4.500% due in May 2032 under its debt issuance program. The issuance was settled on November 12, 2025, and the new bonds are listed on the Luxembourg Stock Exchange. The proceeds of the issuance serve to refinance the bond series due in August 2026 early.

Schaeffler AG has a revolving credit facility of EUR 3.0 bn that was unutilized as at December 31, 2025. The exercise of a one-year contractual extension option prolonged the maturity of the revolving credit facility to October 1, 2030, effective September 12, 2025. The credit agreement also includes a EUR 500 m term loan due in November 2027 that was fully drawn as at December 31, 2025. Additionally, Schaeffler AG has a further term loan of EUR 125 m due in August 2027 that was fully drawn as at December 31, 2025. The margins under these loan agreements are linked to two selected ESG targets.

Worldwide, the Schaeffler Group has bilateral lines of credit in the equivalent of EUR 499 m (prior year: EUR 342 m), primarily in Germany, the U.S., and South Korea. EUR 295 m of these facilities were unutilized as at December 31, 2025 (prior year: EUR 276 m).

Under the group's existing debt financing agreements, term loans with a principal of EUR 1,475 m as well as the revolving credit facility are subject to certain constraints including a requirement to meet leverage covenants on a quarterly basis. The creditors are entitled to call the debt prior to maturity under certain circumstances, including if the leverage covenant is not met, which would result in the debt becoming due immediately.

Compliance with this financial covenant is monitored continually and reported to the lending banks on a regular basis. As in prior years, the company has complied with the leverage covenants throughout 2025 as stipulated in the debt agreements. Based on its forecast, the Schaeffler Group also expects to comply with all leverage covenants in subsequent years.

Schaeffler AG is rated by the three rating agencies Fitch, Moody's, and Standard & Poor's. The following summary shows the Schaeffler Group's credit ratings as at December 31, 2025:

Schaeffler AG ratings

as at December 31

	2025	2024	2025	2024
		Company		Bonds
Rating agency		Rating/Outlook		Rating
Fitch	BB+/stable	BB+/stable	BB+	BB+
Moody's	Ba1/stable	Baa3/ negative	Ba1	Baa3
Standard & Poor's	BB+/negative	BB+/stable	BB+	BB+

Standard & Poor's changed its outlook for Schaeffler AG from "stable" to "negative" in February 2025. Additionally, Moody's downgraded its rating for Schaeffler AG to "Ba1" and changed the outlook from "negative" to "stable" in March 2025. On October 2, 2025, rating agency Fitch confirmed the assigned "BB+" rating and "stable" outlook.

Schaeffler AG had the following bonds outstanding under its debt issuance program as at December 31, 2025:

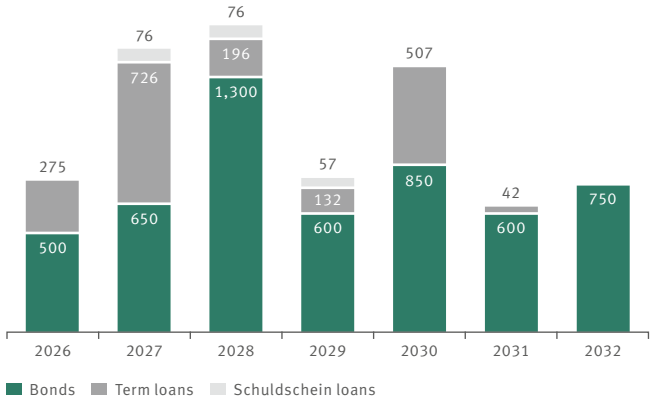
Schaeffler AG bonds

		12/31/2025	12/31/2024	12/31/2025	12/31/2024		
ISIN	Currency	Principal in millions		Carrying amount in € millions		Coupon	Maturity
DE000A289Q91	EUR	0	750	0	749	2.750%	10/12/2025
DE000A3823R3	EUR	500	500	498	496	4.500%	08/14/2026
DE000A2YB7B5	EUR	650	650	649	648	2.875%	03/26/2027
DE000A4DFLP8	EUR	550	0	548	0	4.250%	04/01/2028
DE000A3H2TA0	EUR	750	750	748	748	3.375%	10/12/2028
DE000A3823S1	EUR	600	600	593	592	4.750%	08/14/2029
DE000A383HC1	EUR	850	850	840	838	4.500%	03/28/2030
DE000A4DFLQ6	EUR	600	0	597	0	5.375%	04/01/2031
DE000A460PC0	EUR	750	0	741	0	4.500%	05/12/2032
Total		**5,250**	**4,100**	**5,214**	**4,070**		

The Schaeffler Group's maturity profile, which consists of term loans, Schuldschein loans, and the bonds issued by Schaeffler AG, was as follows as at December 31, 2025:

Schaeffler Group maturity profile

Principal outstanding as at December 31, 2025, in € millions



Finance management

The objective of the Schaeffler Group's finance management is to ensure that sufficient liquidity is available to the group and to its foreign and domestic subsidiaries at all times. Finance management primarily comprises capital management and liquidity management.

Corporate capital management provides the financial resources required by Schaeffler Group entities, ensures the long-term availability of liquidity, and secures the Schaeffler Group's credit standing. Capital management also administers and continually improves the company's existing financial debt consisting of its external group financing arrangements. To this end, the Schaeffler Group has laid the foundations for efficiently obtaining debt and equity funding via the capital markets. The Schaeffler Group's management will continue to value highly the group's ability to place financial instruments with a broad range of investors and to improve financing terms. Additionally, the company aims to regain investment grade ratings from all rating agencies.

External group financing is primarily provided by capital and money market instruments, Schuldschein loans, as well as syndicated and bilateral lines of credit from international banks. These include, in particular, a EUR 500 m term loan and a EUR 3.0 bn revolving credit facility that are available to cover any short- to medium-term liquidity needs. Furthermore, Schaeffler AG has established a commercial paper program with an aggregate volume of EUR 1.0 bn to cover short-term liquidity needs. In addition, the Schaeffler Group uses receivable sale programs to a limited extent to manage liquidity and improve its working capital. In particular, the company has access to a receivable sale program for revolving sales of trade receivables for this purpose. The program has a total volume of up to EUR 200 m of which EUR 135 m (prior year: EUR 135 m) were utilized as at December 31, 2025. Additionally, the Schaeffler Group has the ability to selectively use further receivable sale programs without a fixed committed volume.

The Schaeffler Group has a policy of financing its domestic and foreign subsidiaries from internal sources. In accordance with this policy, to the extent possible and economically justifiable, subsidiaries' financing requirements are met largely using internal loans, supplemented by bilateral lines of credit, primarily in China, Germany, the U.S., and South Korea, to meet local needs. As a result, subsidiaries are primarily financed by loans provided by Schaeffler AG and one other subsidiary. As part of the company's liquidity management measures, liquidity is balanced between group companies on a short- and medium-term basis using primarily cash pools or intercompany loans. In a few cases, Corporate Treasury also obtains lines of credit for subsidiaries from local banks. Local financing is primarily used to cover fluctuations in working capital.

Centralized finance management performed by the Corporate Treasury department ensures a uniform presence in the capital markets and when dealing with rating agencies, eliminates structural differences between the various groups of creditors, and strengthens the group's bargaining position with respect to banks and other market participants. In addition, centralized finance management facilitates the efficient allocation of liquidity as well as groupwide management of financial risk (foreign exchange and interest) on a net basis.

2.5 Net assets and capital structure

Consolidated statement of financial position (abbreviated)

in € millions	12/31/2025	12/31/2024	Change in %
ASSETS			
Non-current assets	10,402	11,569	-10.1
Current assets	10,626	9,801	8.4
Total assets	**21,028**	**21,370**	**-1.6**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	3,054	3,969	-23.0
Non-current liabilities	10,659	9,728	9.6
Current liabilities	7,315	7,673	-4.7
Total shareholders' equity and liabilities	**21,028**	**21,370**	**-1.6**

Foreign currency translation of foreign group companies generally reduced **assets** and **shareholders' equity and liabilities**. The reduction was partly offset by an increase in cash and cash equivalents due to the bond issuance on November 5, 2025, the proceeds of which serve to refinance the bond series due in August 2026 early.

The decrease in **non-current assets** was partly attributable to a decline in property, plant and equipment resulting from a low reinvestment rate and the impact of foreign currency translation. Additionally, intangible assets were reduced by the amortization loss on the capitalized acquisition cost of the on-premise version of SAP operations, which were converted to a cloud-based solution, as well as other impairments.

The increase in **current assets** was due in particular to an increase in cash and cash equivalents, partly driven by the early refinancing of a bond series.

More on cash flow and liquidity on page 25.

Shareholders' equity including non-controlling interests fell by 23.0%. The decrease was primarily due to the net loss of EUR 392 m, a negative impact in accumulated other comprehensive income of EUR 275 m, and the dividends of EUR 236 m paid to Schaeffler AG's shareholders. The negative impact in accumulated other comprehensive income largely represents the EUR 513 m impact of translating the net assets of foreign group companies. The equity ratio was 14.5% as at December 31, 2025 (December 31, 2024: 18.6%).

Non-current liabilities increased largely as a result of the issuance of three bond series totaling EUR 1.9 bn. The reclassification of a EUR 500 m bond series due in 2026 to current financial debt had an offsetting effect, as did a decrease in provisions for pensions and similar obligations and in non-current provisions.

The reduction in **current liabilities** was primarily the result of a decrease in current financial debt. This decrease was due to repayment of a EUR 750 m bond series that was partly offset by reclassification of a EUR 500 m bond series from non-current financial debt.

The Schaeffler Group's off-balance sheet commitments include mainly contingent liabilities.

2.6 Net assets, financial position, and earnings of Schaeffler AG

Schaeffler AG is a stock corporation domiciled in Germany with its registered office located at Industriestr. 1-3, 91074 Herzogenaurach. It acts as a management holding company and is responsible for directing the Schaeffler Group and managing its business as well as its financing; it also employs the staff at the Schaeffler Group's corporate headquarters.

The Board of Managing Directors of Schaeffler AG is responsible for the key management functions of the Schaeffler Group. Schaeffler AG's situation is largely determined by the Schaeffler Group's operating performance.

Schaeffler AG's results of operations are significantly influenced by subsidiaries held directly or indirectly and are, therefore, exposed to the same risks and opportunities as those of the group. This interdependence means that the outlook for the group also reflects our expectations of Schaeffler AG. As a result, the above discussion of the Schaeffler Group also applies to Schaeffler AG, and no separate key performance indicators specific to Schaeffler AG were defined. The key risks of Schaeffler AG relate to impairment of shares in affiliated companies, loans receivable from affiliated companies, and receivables from affiliated companies. Since these line items represent a significant portion of total assets, this risk is of great significance for Schaeffler AG.

The following discussion relates to the separate financial statements of Schaeffler AG prepared in accordance with the requirements of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

Schaeffler AG earnings

Income statement of Schaeffler AG (abbreviated)

in € millions	2025	2024	Change in %
Revenue	35	37	-3.8
Cost of sales	-33	-34	-2.6
Gross profit	**2**	**2**	**-20.6**
General and administrative expenses	-238	-231	3.1
Other operating income	678	577	17.6
Other operating expenses	-707	-739	-4.3
Income from equity investments	1,211	1,571	-22.9
Income from other securities and long-term loans receivable	48	36	35.3
Other interest and similar income	85	83	2.4
Write-downs of long-term financial assets and securities included in current assets	-50	0	‹ -100
Interest and similar expenses	-678	-837	-19.0
Income taxes	22	-46	‹ 100
Earnings after income taxes	**375**	**417**	**-10.2**
Net income for the year	**375**	**417**	**-10.2**
Retained earnings brought forward	0	0	0.0
Retained earnings	**375**	**417**	**-10.2**

As Schaeffler AG is the ultimate parent company of the Schaeffler Group, it provides services as part of managing the group; these services include public relations activities, treasury, legal consulting, tax consulting, compliance, human resources, internal audit, quality management, and general management.

In performing its function as management holding company of the Schaeffler Group, Schaeffler AG incurred EUR 238 m (prior year: EUR 231 m) in general and administrative expenses.

Schaeffler AG performs most of the Schaeffler Group's hedging activities related to currency risk. As a result, its net other operating income is characterized by foreign exchange gains and losses on hedges of currency risk arising from the operations and on financing arrangements of the Schaeffler Group.

Income from equity investments included withdrawals of EUR 1,200 m (prior year: EUR 1,550 m) from Schaeffler Technologies AG & Co. KG.

Although interest expenses on external liabilities increased, this impact was overcompensated by lower interest rates on intercompany transactions, resulting in an overall decline in interest expenses and, hence, an improvement in interest result compared to the prior year.

Income taxes amounted to EUR -22 m in 2025 (prior year: EUR 46 m) and consisted exclusively of current income taxes. Schaeffler AG has had deferred tax assets since 2016. It has opted out of recognizing deferred tax assets in accordance with section 274 (1) sentence 2 HGB. Consequently, just as in the prior year, deferred tax did not have any impact on net income in 2025.

As was the case in the prior year, retained earnings equal net income for the year of EUR 375 m (prior year: EUR 417 m).

The Board of Managing Directors and the Supervisory Board will propose to the annual general meeting paying a dividend of EUR 0.30 per common share for 2025 (prior year: EUR 0.25 per common share) and adding the remaining retained earnings of EUR 92 m to revenue reserves.

In 2026, Schaeffler AG expects to continue to generate income from equity investments from the subsidiaries as part of its holding activities. Additionally, Schaeffler AG will maintain its financing function for the subsidiaries.

The Board of Managing Directors considers the results of operations of Schaeffler AG, which are highly dependent on the course of business of the Schaeffler Group, satisfactory overall given the difficult economic environment prevalent in 2025, the successful merger with Vitesco Technologies Group AG in 2024, and the stronger position resulting from it.

Schaeffler AG financial position and net assets

Balance sheet of Schaeffler AG (abbreviated)

in € millions	12/31/2025	12/31/2024	Change in %
ASSETS			
Fixed assets	18,726	18,753	-0.1
Current assets	12,851	11,701	9.8
Prepaid expenses and deferred charges	1	9	-90.0
Excess of plan assets over post-employment benefit liability	4	5	-19.6
Total assets	**31,582**	**30,468**	**3.7**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	10,125	9,987	1.4
Provisions	278	270	4.1
Liabilities	21,179	20,211	4.8
Total shareholders' equity and liabilities	**31,582**	**30,468**	**3.7**

Fixed assets consist primarily of the shares in Schaeffler Technologies AG & Co. KG and the shares in Vitesco Technologies GmbH.

Current assets consist primarily of short-term loans and other financial receivables related to Schaeffler AG's cash pooling function and responsibility for the internal group financing of the Schaeffler Group. This line item further includes Schaeffler AG's claim to the net income of Schaeffler Technologies AG & Co. KG of EUR 1,200 m (prior year: EUR 1,550 m) that had not yet been paid as at December 31, 2025. Schaeffler Technologies AG & Co. KG paid EUR 1,550 m in respect of the net income for 2024 to Schaeffler AG in 2025, and Schaeffler AG used these funds entirely to pay off existing liabilities due to Schaeffler Technologies AG & Co. KG. The increase in 2025 resulted primarily from new bond issuances.

Schaeffler AG manages the Schaeffler Group's cash pool and held bank balances of EUR 1,367 m (prior year: EUR 237 m) at the end of the reporting period.

On April 24, 2025, Schaeffler AG's annual general meeting passed a resolution to pay a dividend of EUR 236 m (prior year: EUR 295 m) to Schaeffler AG's shareholders for 2024 and to add the remaining retained earnings of EUR 181 m (prior year: EUR 131 m) to revenue reserves.

The increase in financial debt compared to December 31, 2024, is primarily due to the issuance of two bond series with a total volume of EUR 1.15 bn in April 2025 and a further EUR 750 m bond issuance in November 2025. The April transaction consisted of two tranches (EUR 550 m with a coupon of 4.250%, due in April 2028, and EUR 600 m with a coupon of 5.375%, due in April 2031). The issuances were partly offset by Schaeffler AG redeeming an outstanding bond series of EUR 750 m upon maturity in October 2025.

Furthermore, EUR 90 m were drawn under loans from KfW IPEX-Bank in the first half of 2025. Furthermore, the Schaeffler Group entered into and drew down three lines of credit totaling approximately EUR 176 m in June 2025. This was partly offset by Schaeffler AG redeeming EUR 222 m in Schuldschein loans upon maturity in March and in May 2025.

The company has short-term loans payable to affiliated companies related to Schaeffler AG's cash pooling function and responsibility for the internal group financing of the Schaeffler Group.

More on financing activities on pp. 27 et seq.

Closing statement on the dependency report

Closing statement on the report on relations with affiliated companies prepared by the Board of Managing Directors in accordance with section 312 AktG.

Schaeffler AG has been a company dependent on IHO Verwaltungs GmbH, Herzogenaurach, in accordance with section 312 AktG since October 24, 2014. Therefore, the Board of Managing Directors of Schaeffler AG has prepared a report on relations with affiliated companies by the Board of Managing Directors in accordance with section 312 (1) AktG which contains the following closing statement:

"In the legal transactions listed in the report on relations with affiliated companies, our company has in each legal transaction received appropriate compensation in the circumstances known to us at the time the legal transactions were executed. No measures within the meaning of section 312 AktG were executed or not executed during the reporting period."

2.7 Other components of the group management report

The following chapters are also part of the combined management report:

- "Corporate governance declaration including corporate governance report" on pp. i2 et seq.,
- "Members of the Board of Managing Directors and the Supervisory Board" on pp. i13 et seq.,
- "Governance systems" on pp. i16 et seq.

The following reference also forms part of the combined management report:

Corporate governance declaration including corporate governance report, incl. the declaration of conformity pursuant to section 161 AktG at: www.schaeffler.com/en/investor-relations/corporate-governance/corporate-governance-declarations/

3. Supplementary report

In a ruling handed down on February 20, 2026, the U.S. Supreme Court declared the import tariffs imposed by the U.S. government on the basis of the International Emergency Economic Powers Act to be unlawful. The Schaeffler Group closely monitors ongoing developments and analyzes possible courses of action to be able to respond quickly and take appropriate measures if necessary.

No other material events expected to have a significant impact on the net assets, financial position, or results of operations of the Schaeffler Group occurred after December 31, 2025.

4. Report on opportunities and risks

4.1 Risks

As described in the “Risk management system” chapter, the Schaeffler Group identifies, assesses, and manages opportunities and risks in a structured process.

For purposes of internal and external risk reporting, the Schaeffler Group considers net risks that could take on a medium or high impact on the Schaeffler Group’s earnings and financial position within the planning horizon. They are divided into strategic, operational, legal, and financial risks and presented in decreasing order of the magnitude of their impact on the Schaeffler Group’s financial position and earnings. The risk information provided applies to all of the Schaeffler Group’s divisions unless explicitly attributed to specific divisions. ESG-related risks are also part of this report and are described separately in the sustainability statement.

More on ESG-related risks in the sustainability statement on pp. 49 et seq.

Strategic risks

The key strategic risks of the Schaeffler Group are described below.

Climate-related transition risks (market, technology, reputation)

The transition to a low-carbon, climate-resilient economy may give rise to risks for the Schaeffler Group resulting from changing technological requirements and changed market preferences. The Schaeffler Group has defined an environmental and climate scenario and referred to it in assessing risks.

More information on the environmental and climate scenario in the sustainability statement on pp. 53 et seq.

The company identified various action fields in light of this scenario. For instance, growing demand for the use of low-emission and eco-friendly materials can increase costs in the procurement and production process. Additionally, stricter legal requirements for the protection of biodiversity and ecosystems can have an adverse impact on raw materials extraction and hence also adversely affect procurement costs. Growing demand for sustainable materials coupled with limited availability can lead to even higher costs and increased production efforts for the Schaeffler Group, as well as the risk of not fully meeting customer requirements. A high adverse impact on the Schaeffler Group’s financial position and earnings could derive from this. Customer demands for more sustainable products require additional capital expenditures and expenses. Lost customers and reputational damage are possible if sustainable procurement, logistics, production, and product development are not realized to a sufficient extent. In order to address these requirements, the Schaeffler Group has defined measures aimed at ensuring their long-term implementation. Should such implementation not be achieved, this could have a medium impact on the Schaeffler Group’s financial position and earnings.

Similarly, adapting processes and products in line with the circular economy can entail high capital expenditures. Additionally, implementing closed-loop water circulation systems in the production process could lead to extensive and costly adjustments and capital expenditures. These measures could have a medium impact on the Schaeffler Group’s financial position and earnings.

Macroeconomic environment

The implications of macroeconomic, political, and geopolitical developments could hamper the Schaeffler Group’s operations or planned growth. Persistent geopolitical conflicts, particularly the war in Ukraine as well as continued tensions in Middle East and the South China Sea, could once again weigh on business and consumer confidence in many economies in 2026.

Global trade and economic dynamics have changed fundamentally in 2025. The trend away from rules-based multilateralism toward a focus on national interests could continue in 2026. This would have different and asymmetrical macroeconomic impacts on individual countries. On the one hand, protectionist measures could render global trade even more complex and fragmented and weigh on value creation. On the other hand, increased pressure for reform and realignments, for example from new trade agreements, could open up new areas of growth and enable productivity gains. Global growth could be driven primarily by emerging markets in 2026.

In the U.S., a stagflationary policy mix could curb economic growth. Expansionary fiscal policy, restrictive immigration policy, and the impact of trade policy could further increase inflation. At the same time, a weakening of institutions could lead to reluctance to invest and consume.

In the EU, particularly in Germany, persistent geopolitical uncertainties could weigh on businesses and consumers. Along with external factors, global competitiveness is likely to remain characterized by internal challenges in 2026. Political risks could remain high, and delays in necessary reforms at the European and national levels could further weaken economic resilience and recovery.

China is likely to continue to strategically strengthen manufacturing and technology with the aim of achieving global technological leadership. Structural challenges could weigh on capital investment and domestic consumption in 2026. The five-year plan to be adopted in March 2026 could have a significant impact on the country's economic direction.

The most significant economies in Southeast Asia and India are on a growth path. In Latin America, particularly in Mexico, the macroeconomic trend is strongly influenced by trade relations with the U.S. The geopolitical and macroeconomic environment could have a medium impact on the Schaeffler Group's financial position and earnings.

Demand for the Schaeffler Group's products is to a large extent driven by global economic conditions and depends considerably on the overall economic trend and the related cyclical fluctuations. Since especially the Bearings & Industrial Solutions division is impacted significantly by the economic environment, any deterioration in the economic environment may lead to a medium impact on the Schaeffler Group's financial position and earnings.

Electric mobility and autonomous driving

Electrification of automobiles is progressing, and as a result, further development of conventional powertrains is coming under pressure. Firstly, further increases in the efficiency of conventional powertrains may become less relevant, and secondly, existing products and applications may be replaced. In the E-Mobility division, there is a risk that planned customer call-offs are not made as scheduled due to volatile market demand and regulatory conditions. Postponements and volume reductions in OEM programs can adversely affect capacity utilization and the profitability of project-related investments. A structured risk assessment including continual monitoring of OEM programs enables the company to identify risks early on and initiate potential countermeasures. The Schaeffler Group aims for a diversified customer portfolio with modular and scalable solutions and implements flexible production concepts to minimize the impact of postponements and volume reductions. Should the strategic measures taken not have the desired effect, this could have a medium impact on the financial position and earnings of the division. Initiating cost reduction measures can reduce the amount of damage.

Along with the progressive electrification of automobiles, developing highly automated vehicles is increasingly gaining in importance as well. This trend is reflected in the Schaeffler Group's Vision Automated Vehicles. Should actual developments deviate from the Powertrain & Chassis division's expectations, this could have a medium impact on the Schaeffler Group's financial position and earnings. The assumptions underlying these developments are subject to continual strategic review.

Operational risks

The key operational risks of the Schaeffler Group are listed below.

Market developments

The transition to electric mobility is difficult to plan and subject to uncertainty, representing a challenge for the E-Mobility division, in particular, that could have a high impact on the Schaeffler Group's financial position and earnings. Thus, structural market changes such as the emergence of new competitors from other industries (e.g., electronics or battery manufacturers) and the trend toward integrated supply chains on the part of automobile manufacturers are creating uncertainties for traditional suppliers. Additionally, the regulatory environment and programs promoting electric mobility are increasing pressure on the flexibility and resilience of suppliers to remain competitive in the long term.

Other factors such as changes in consumption patterns, fluctuating fuel prices, and changes in exchange rates and interest rate levels can also have an influence on demand for automotive products. Similarly, the persistent uncertainty regarding the political environment could continue to adversely affect market

growth. The large number of economic and political factors renders automobile production highly volatile, making exact sales forecasts increasingly difficult.

In addition, customer-specific products limit the company's ability to offset fluctuations in demand from individual customers. Moreover, the Schaeffler Group is dependent on the market success of individual vehicles or vehicle platforms.

Markets are continually analyzed in order to detect changes in market structure or the regulatory environment early on. The company responds to unexpected market slow-downs with dynamic and flexible cost efficiency programs to limit the amount of damage. Due to the limited flexibility of the cost structure, a decrease in plant capacity utilization can adversely affect the company's profitability. Given the volatile market situation, customer compensation programs may be used to mitigate adverse impacts.

Climate-related physical risks and risks from force majeure

More frequent and more intense extreme weather conditions form part of the worldwide consequences of global warming; to date, they have only affected the company's locations, supply chain, or customers in isolated cases. Similar impacts can arise from natural phenomena like earthquakes or water scarcity. The Schaeffler Group has an established environmental management system to address these immediate physical risks. This is highlighted by the large number of production and manufacturing locations certified under EMAS. Nevertheless, the consequences of climate-related physical risks and force majeure events could have a high impact on the Schaeffler Group's financial position and earnings. The Schaeffler Group uses systems providing global information on safety related events, such as natural disasters and geopolitical developments, to ensure a timely response to these developments.

Warranty and liability risks

One significant factor in customers' decision to purchase the products and services offered by the Schaeffler Group is their quality. To safeguard this level of quality for the long term, the Schaeffler Group relies on comprehensive quality management that has been certified in accordance with the relevant standards for business areas and customer requirements, including ISO 9001, IATF 16949, ISO 22163, and AS 9100. However, a residual risk remains that poor-quality products or services end up getting delivered, causing liability risk. The use of poor-quality products or services can lead to damage, unplanned repairs, or recalls on the part of the customer which can result in liability claims or reputational damage. Furthermore, deteriorating product quality can result in increased warranty and liability risk vis-à-vis the Schaeffler Group's customers. The Schaeffler Group responds to such risks with corresponding requirements aimed at securing strict quality control measures, continuous improvement activities, and monitoring of vulnerabilities in order to minimize the probability of warranty and liability risks materializing. Quality risks are the subject of control activities that are integrated into processes and monitored continually and that contribute to avoiding risks or identifying them early on. Individual risks becoming reality could have a medium impact on the Schaeffler Group's financial position and earnings. All product liability risks are insured. The extent of actual reimbursements that can be claimed from insurers can only be assessed on a case-by-case basis.

Cyber risks

The IT systems used in all areas of the company are essential to the Schaeffler Group. Cyber security comprises not only the protection of these systems, their data, technologies, and processes against internal and external threats but also also attaches great importance to comprehensive training and awareness programs in order to strengthen security awareness for the long term. Effective cyber security mitigates the risk of unauthorized access and damage to digital processes and systems and provides resilience. It also safeguards the confidentiality, integrity, and availability of data and systems. In order to achieve these protection goals, the Schaeffler Group refers to recognized international standards for information security management systems (ISMS) such as ISO 27001 and Trusted Information Security Assessment Exchange (TISAX). Attacks on IT systems, reputational damage due to the loss of sensitive business data, or any failure of processes relevant to the business could have a medium impact on the Schaeffler Group's financial position and earnings.

Legal risks

The Schaeffler Group's operations give rise to legal risks, for instance those resulting from potential non-compliance with relevant regulations. Legal risks are reflected in provisions recognized in accordance with financial reporting standards.

Climate-related transition risks (policies and legal)

The transition to a low-carbon, climate-resilient economy may lead to a tightening of existing regulatory requirements, such as CBAM or CO_2 prices, resulting from a changing political environment. Additionally, further regulatory requirements may arise in the future, for example in relation to biodiversity and ecosystems. For the Schaeffler Group, meeting these requirements may be associated with increasing costs and limited availability of sustainable raw materials and components. These risks could have a high impact on the Schaeffler Group's financial position and earnings.

Regulatory risks

The Schaeffler Group operates in numerous countries worldwide and, as a result, is subject to a large number of varying legal requirements. This applies particularly to the areas of environment, chemicals, and hazardous materials, but also to health and safety regulations. New legislation and changes in the legal environment could entail risks to business activities and have a medium impact on the Schaeffler Group's financial position and earnings. The Schaeffler Group continually monitors regulatory changes to be able to react on a timely basis. A current topic here is the EU's proposed ban on PFAS, which could have adverse implications for the product portfolio. The risk arises from the as yet unresolved legal situation.

Financial risks

The Schaeffler Group's financial risks specifically comprise liquidity and foreign exchange risks.

Liquidity risks

Liquidity risk refers to the risk that the Schaeffler Group will not be able to meet its payment obligations as they come due. The company differentiates between short-, medium- and long-term liquidity risks.

Liquidity risks can arise if financing needs cannot be met by existing equity or debt financing arrangements. The Schaeffler Group's financing requirements were met throughout 2025 by existing financing instruments and refinancing arrangements completed.

Short- and medium-term liquidity risk is monitored and managed using a rolling liquidity budget with a forecasting period of 12 months. Short-term fluctuations in cash flow are monitored daily and can be offset using existing bilateral lines of credit or a revolving credit facility of EUR 3.0 bn.

Compliance with financial covenants is monitored on an ongoing basis and regularly reported to the lending banks. The creditors are entitled to call the debt prior to maturity under certain circumstances, including if financial covenants are not met, which would result in the debt becoming due immediately. To date, the Schaeffler Group has consistently complied with all financial covenants as stipulated in the debt agreements. The Schaeffler Group also expects to comply with these covenants in the future. Any non-compliance with the debt covenants as well as any liquidity needs that cannot be covered could have a medium impact on the Schaeffler Group's financial position and earnings, with actual occurrence considered improbable.

Risks arising from currency fluctuations

The Schaeffler Group has international operations and is exposed to a multitude of currency risks as a result, especially currency risks from operations related to the U.S. dollar and Chinese renminbi.

Currency risk is continually monitored and managed at the corporate level, with currency risks arising from transactions being aggregated across the group and hedged using forward exchange contracts. Currency risks, market values of foreign currency derivatives, and developments in foreign exchange markets are continuously monitored and managed as part of the risk management system.

If competitors from other currency areas can offer lower prices due to movements in exchange rates, changes in foreign exchange rates can adversely affect the Schaeffler Group's competitive position. The group's manufacturing locations are spread around the world, enabling it to reduce the impact of changes in exchange rates on its competitive position. However, an adverse exchange rate trend could have a medium impact on the Schaeffler Group's earnings and financial position.

Risk assessment

	Risk class	Change
Strategic risks		
• Climate-related transition risks (market, technology, reputation)	high	→
• Macroeconomic environment	medium	→
• Electric mobility and autonomous driving	medium	↘
Operational risks		
• Market development	high	↗
• Climate-related physical risks and risks from force majeure	high	↗
• Warranty and liability risks	medium	→
• Cyber risks	medium	→
Legal risks		
• Climate-related transition risks (policies and legal)	high	↗
• Regulatory risks	medium	→
Financial risks		
• Liquidity risks	medium	→
• Risks arising from currency fluctuations	medium	new

↗ increased → unchanged ↘ reduced
Assessment refers to the highest assessed individual risk within each risk category.

4.2 Opportunities

The Schaeffler Group with its range of products and services has a worldwide presence in order to actively participate in the expected megatrends of the future. Therefore, identified opportunities are long-term and, hence, strategic in nature. For purposes of internal and external risk reporting, the Schaeffler Group considers opportunities with moderate or considerable potential. Opportunities with low potential are not reported on. This approach and the integration of opportunities in the planning process have reduced the total number of opportunities presented from the prior year. Opportunities are presented in descending order of significance of their potential. Information provided on opportunities applies to all of the Schaeffler Group's divisions unless explicitly attributed to specific divisions. ESG-related opportunities are also presented here and are also described separately in the sustainability statement.

More on ESG-related opportunities in the sustainability statement on pp. 49 et seq.

Population growth, infrastructure, digitalization, and innovation

Global population growth is increasing demand for infrastructure, which needs to be adapted and expanded. New forms of mobility and changed population structures are contributing to this change. This also leads to rising demand for raw materials, making their extraction and processing increasingly important. Additionally, capital expenditures on mobile industrial applications such as those in construction and agriculture are increasing considerably. This creates additional business potential in the supply sector. At the same time, increasing digitalization and automation as well as rising cost pressure and a shortage of skilled labor in selected areas of production, accompanied by higher safety and sustainability requirements result in growing demand for innovative, (partly) automated production solutions in many industries. This is associated with moderate opportunities for the Bearings & Industrial Solutions division with its broad range of rolling and plain bearings with reduced friction and in nearly all sizes.

Renewable energy

In the coming years and decades, global demand for renewable energy will continue to grow in the context of global climate change and due to the resulting climate policy. The Schaeffler Group supports the expansion of renewable energy generation with the necessary components and solutions. The company's innovative bearing solutions for wind turbines, for instance, help make wind turbines more reliable and reduce the cost of generating renewable energy. Moderate opportunities could emerge for the Bearings & Industrial Solutions division.

Circular systems & circular products

The company's intention to more extensively use sustainable and recycled materials and other conceptual plans to increase circularity will help reduce the carbon footprint of products and meet relevant customer requirements. A clear circular economy strategy for the Schaeffler Group's products can lead to additional orders and thus to a stronger market position. The resulting opportunities have been assessed as moderate.

Defense

The defense business represents a new strategic growth area. Its current expertise in industrializing enables the company to develop products in such a way that they can be manufactured in larger quantities with consistently high quality. This meets the market's requirements for reliable and long-term supply relationships. This focus on product development and optimized manufacturing processes creates a basis for the Schaeffler Group to establish itself in the defense sector for the long term and realize a moderate opportunity.

Transformation in the automotive sector

The global transformation toward electric mobility is causing profound structural changes in the automotive market. New players are gaining in importance and considerable market growth is expected in some regions. An increasing market share in this expanding market segment could provide particularly the E-Mobility division with a moderate opportunity that could grow even further if OEMs increasingly outsource component business away from in-house production.

The Bearings & Industrial Solutions division with its comprehensive product portfolio can additionally benefit from the extended use of internal combustion engine- and hybrid platforms in regions that are slower in converting to electric mobility.

Passenger and freight transport

An ever expanding population and the resulting rise in passenger and freight transport volumes are expected to lead to extensive capital expenditures in the transport sector in the medium to long term. Especially aerospace and rail transport, which is also becoming increasingly important from a sustainability standpoint, represent a promising, growing market for the Schaeffler Group. Reliable, efficient, and innovative rolling bearing solutions are among the key components of modern transport. The high stresses and resulting wear and tear as well as the safety standards make this market not only a market of the future with respect to original equipment but also one that can offer moderate opportunities to the Bearings & Industrial Solutions division in the aftermarket business.

Humanoid robotics

The use of humanoid robots can fundamentally change traditional work models and multiply industrial productivity. As a result, demand for humanoid robots is expected to grow in the long term. The Humanoid Robotics unit of the Others division can actively benefit from this growth trend by developing state-of-the-art mechanical precision drive modules and intelligent mechatronic actuators.

Assessment of opportunities

Opportunity	Opportunity class	Change [1]
Population growth, infrastructure, digitalization, and innovation	moderate	new
Renewable energy	moderate	new
Circular systems & circular products	moderate	new
Defense	moderate	new
Transformation in the automotive sector	moderate	new
Passenger and freight transport	moderate	new
Humanoid robotics	moderate	new

[1] As opportunities were qualitatively evaluated for the first time, they have been classified as new compared to the prior year.

4.3 Overall assessment of Schaeffler Group opportunities and risks

In the assessment of the Board of Managing Directors, the Schaeffler Group's risk position has improved compared to the prior year. This is attributable to lower risks associated with the merger with Vitesco Technologies Group AG, a slightly improved risk environment in the Bearings & Industrial Solutions division, and lower financial risks, among others. In addition to the risks described in the group management report, unexpected developments significantly damaging or harming the company's production process, customer relationships, or reputation can occur at any time.

The overall assessment of the significant opportunities and risks does not indicate any risks which, either individually or in combination with other risks, jeopardize the company's continued existence as a going concern.

5. Sustainability statement

Introduction

Combined group non-financial declaration

This chapter represents the combined group non-financial declaration of Schaeffler AG (also referred to as “sustainability statement” below) in accordance with sections 315b and 315c of the German Commercial Code (“Handelsgesetzbuch” – HGB) in conjunction with sections 289b to 289e HGB and includes disclosures in accordance with the EU Taxonomy Regulation 2020/852. This sustainability statement discloses required non-financial information for 2025 for both the Schaeffler Group and Schaeffler AG.

The group non-financial declaration has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), which were applied as a framework as required by section 289d HGB. Since all matters described apply equally to Schaeffler AG and the group, the company has not applied a framework within the meaning of section 289d HGB for the parent company.

The sustainability statement for 2025 was reviewed by the Supervisory Board of Schaeffler AG and by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft on behalf of the audit committee with respect to the disclosures legally required by sections 315b, 315c in conjunction with 289b to 289e HGB for the purpose of obtaining limited assurance. This engagement was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board (IAASB).

The sustainability statement includes a description of policies and due diligence processes and their results in accordance with the five non-financial aspects under sections 315c in conjunction with 289c HGB “environmental matters”, “employee-related matters”, “social matters”, “respect for human rights”, and “combating corruption and bribery”. The following table provides an overview of on which pages of the sustainability statement this information is located.

Matters per section 289c (2) HGB	Pages in 2025 sustainability statement
Environmental matters	63–86
Employee-related matters	87–100
Social matters	101–109
Respect for human rights	87–109
Combating corruption and bribery	110–113

The general structure of the sustainability statement follows that of the ESRS. For better orientation and more precise referencing within the statement, the titles of the disclosure requirements (DR) are included after the relevant chapter headings.

5.1 General disclosures [ESRS 2]

Basis for preparation

General basis for preparation of the sustainability statement [BP-1]

This sustainability statement of Schaeffler AG was prepared based on ESRS on a consolidated basis. The scope of consolidation is the same as that for financial reporting purposes. Please refer to Note 2 “Principles of consolidation” to the consolidated financial statements for further details on the scope of consolidation.

Vitesco Technologies Group AG was consolidated by the Schaeffler Group in a two-step acquisition: The Schaeffler Group initially acquired approximately 38.9% of the shares on January 5, 2024, followed by the full acquisition effective October 1, 2024. For the first three quarters of 2024, Vitesco Technologies Group AG represented a minority investment and was therefore included in the consolidated figures solely via the “net income (loss) from equity-accounted investees” line in the income statement. Vitesco Technologies Group AG was consolidated, and hence its operations fully reflected, starting in the fourth quarter of 2024. Since the acquired company is included for only part of 2024, comparability of current-period results and metrics with those of the prior year is limited.

The Schaeffler Group’s impacts, risks, and opportunities (IROs) with respect to environment, social, and governance (ESG) topics were considered in a double materiality assessment in accordance with ESRS. This assessment covered the company’s own

operations and upstream and downstream value chain. This sustainability statement sets out the IROs identified as material and the related policies, actions, and, where applicable, targets and metrics.

The company has not made use of the option to omit specific information for reasons of confidentiality and the exemption from disclosure of impending developments or matters in the course of negotiation.

Disclosures in relation to specific circumstances [BP-2]

For purposes of identifying its impacts, the Schaeffler Group has adopted the definition of the short-, medium-, and long-term time horizons set out in ESRS 1, section 6.4. These have been used in preparing the sustainability statement. Hence, the short-term time horizon represents the one-year period adopted by the company as the reporting period in its financial statements, the medium-term time horizon the period from the end of the short-term reporting period up to five years, and the long-term time horizon a period of more than five years.

The same time horizons were applied to identify the company's risks and opportunities. They are based on the outlook period (one year), the long-range plan (five years), and the strategic plan (ten years).

Disclosures on value chain estimation and on sources of estimation and outcome uncertainty are provided in the relevant sections on metrics within the various subchapters.

Unless indicated otherwise, the metrics set out in this sustainability statement have not been validated by any third parties other than the assurance provider engaged by the company.

Incorporation by reference

The following table lists the information disclosed by reference.

Overview ESRS disclosure requirements and related references

Disclosure requirements	Reference
GOV-1.21 c	Corporate governance declaration including corporate governance report on pp. i7 et seq.
GOV-1.23 a	Corporate governance declaration including corporate governance report on pp. i7 et seq.
GOV-5	Risk management system on pp. i16 et seq. and Internal control system on pp. i18 et seq.
IRO-1.53 c	Identification and assessment of material opportunities on pp. i16 et seq.
SBM-1.40 a i, ii	Organizational structure and business activities on pp. 4 et seq.
G1 ESRS 2 GOV-1.5 b	Corporate governance declaration including corporate governance report on pp. i7 et seq.

Governance

The role of the administrative, management, and supervisory bodies [GOV-1]

The management and supervisory bodies consist of the executive Board of Managing Directors and the non-executive Supervisory Board of Schaeffler AG. Schaeffler AG does not have an additional administrative body within the meaning of ESRS due to its legal form. The Schaeffler Group is managed by the Board of Managing Directors of Schaeffler AG. The Board of Managing Directors consists of the CEO and the members of the Board of Managing Directors responsible for the divisions and functions. The Board of Managing Directors of Schaeffler AG is directly responsible for managing the company, sets objectives and the company's strategic direction, and manages the implementation of the company's strategy. As at December 31, 2025, the Board of Managing Directors consisted of nine members. Jointly with the four regional CEOs, it represents the Schaeffler Group's Executive Board. The percentage of female members of the Board of Managing Directors was 11.1% (1/9) as at December 31, 2025 (prior year: 11.1%; 1/9). The average ratio of female to male members during the year was 12.5% (1/8) (prior year: 13.8%; 1:7.3).

The Schaeffler AG Supervisory Board appoints, advises, and oversees the Schaeffler AG Board of Managing Directors. The Schaeffler AG Supervisory Board is subject to member parity under the German Co-Determination Act ("Mitbestimmungsgesetz" – MitbestG) and consists of a total of 20 members. Ten of these members are appointed by the annual general meeting, and ten members are elected by the employees in accordance with the requirements of the German Co-Determination Act. The percentage of female members of the Supervisory Board was 30.0% (6/20) as at December 31, 2025 (prior year: 35.0%; 7/20). The average ratio of female to male members during the year was 44.8% (6.2/13.8) (prior year: 53.9%; 6.9:12.8).

The Supervisory Board of Schaeffler AG takes the German Corporate Governance Code into account in its work. Therefore, it ensures, among other things, that more than half of the shareholder representatives are independent from the company and its Board of Managing Directors. Additionally, at least two shareholder representatives should be independent from the controlling shareholder, and no more than two former members of the Board of Managing Directors should be members of the Supervisory Board. As at December 31, 2025, 90.0% (prior year: 90.0%) of the shareholder representatives on the Supervisory Board were independent from the company, the Board of Managing Directors, and the controlling shareholder as defined in the German Corporate Governance Code. The percentage of independent members is 60.0% (prior year: 60.0%) with respect to the Supervisory Board as a whole, because, along with one shareholder representative who is not independent of the controlling shareholder, seven employee representatives are employed by subsidiaries of Schaeffler AG and, therefore, are classified as not independent of the company.

The qualifications matrix of the Supervisory Board members sets out information on the composition and diversity of the Supervisory Board of Schaeffler AG and on its roles and responsibilities. The members of the Board of Managing Directors are assisted by relevant departments with the necessary expertise and skills in the area of sustainability and on business conduct matters. The members of the Supervisory Board take responsibility for undertaking professional development measures on these topics.

A detailed description of the disclosures on the role of the company's administrative, management and supervisory bodies in accordance with ESRS 2.GOV-1.21 c and ESRS 2.GOV-1.23 a is included in the disclosures marked accordingly in the Qualifications matrix – shareholder representatives section (pp. i7 et seq.) of the group management report. This information also forms an integral component of this sustainability statement.

The Board of Managing Directors of Schaeffler AG is the key decision-making body and identifies sustainability matters taking into account the material IROs. The Board of Managing Directors is assisted by the regional CEOs in making decisions. Responsibility for the sustainability strategy lies with the CEO.

Being a supervisory body, the Supervisory Board is tasked with overseeing fundamental decisions relating to the sustainability strategy and its implementation. The Board of Managing Directors regularly reports to the Supervisory Board and, at the Supervisory Board's annual strategy meeting, briefs the Supervisory Board on the sustainability strategy, its further development, and the status of its execution within the company.

The Board of Managing Directors is assisted by topic-specific steering groups which share information regularly, assess implementation progress, and prepare discussions for the Board of Managing Directors. Steering groups for the relevant topics are managed by sponsors defined at the Board of Managing Directors level. The company's global sustainability network does preparatory content-related work for the steering groups and reflects the Schaeffler Group's organizational structure by comprising representatives of all divisions, functions, and regions. These steering groups were defined as follows during the year: Sustainable Purchasing, Sustainable Production, and Sustainable Products.

More detailed discussions of the responsibilities of the Schaeffler AG Board of Managing Directors regarding implementation of various sustainability-related policies are set out in the sections on the relevant topical standard.

The Board of Managing Directors of Schaeffler AG has established various boards and committees to oversee and manage the company's sustainability processes. Specifically, these include the Sustainability Committee which consists of the members of the Board of Managing Directors, the regional CEOs, the heads of the relevant technical departments, and the sustainability coordinators at the divisional and regional level. The Sustainability Committee is chaired by the CEO and is responsible for defining and adjusting the sustainability strategy as well as the ESG targets and monitors progress towards meeting these targets. It establishes roles and responsibilities in order to manage and implement the sustainability strategy, especially for topics affecting more than one organizational unit. Additionally, it manages sustainability initiatives and projects, defines and adapts their structure under the Schaeffler execution program, and reviews the status, progress, and budgets of these initiatives.

The **Governance, Risk & Compliance Committee (GRCC)** is responsible for monitoring and managing high-level governance, risk, and compliance management requirements and for implementing the relevant appropriate actions. In this manner, it assists the Board of Managing Directors in meeting its due diligence obligations. The GRCC is co-chaired by the CEO and the CFO, who both represent the GRCC on the Board of Managing Directors as well as on the Supervisory Board.

On behalf of the GRCC, the **Risk Sub-Committee** headed up by the CFO regularly reviews in detail the Schaeffler Group's risks and opportunities, makes adjustments as necessary, approves the risk position, and assists the Board of Managing Directors and the GRCC with ensuring an appropriate and effective risk management system.

Board of Managing Directors of Schaeffler AG – information on diversity and experience

		Klaus Rosenfeld	Dr. Astrid Fontaine	Christophe Hannequin	Andreas Schick	Jens Schüler	Thomas Stierle	Uwe Wagner	Sascha Zaps	Matthias Zink
Date appointed		10/24/2014	01/01/2024	09/01/2025	04/01/2018	01/01/2022	10/01/2024	10/01/2019	05/01/2024	01/01/2017
Diversity	Gender	m	f	m	m	m	m	m	m	m
	Year of birth	1966	1969	1976	1970	1974	1969	1964	1974	1969
	Nationality	German	German/ American	French	German	German	German	German	German	German
Relevant experience, expertise, and skills										
International experience	Europe region	●	●	●	●	●	●	●	●	●
	Americas region	●	●	●	●	●	●		●	
	Greater China region		●							●
	Asia/Pacific region				●					●
Sectors and products	Automotive sector	●	●	●	●	●	●	●	●	●
	Industrial sector	●		●	●			●	●	
Sustainability expertise	Environmental sustainability	●	●	●	●	●	●	●	●	●
	Social sustainability	●	●	●	●					
	Compliance and/or business conduct	●	●	●	●	●	●	●	●	●

● Criterion met, based on self-assessment by members of the Board of Managing Directors.

Information provided to and sustainability matters addressed by the company's administrative, management, and supervisory bodies [GOV-2]

As described in section ESRS 2 GOV-1, the Sustainability Committee, the GRCC, and the Risk Sub-Committee represent the Schaeffler Group's relevant bodies overseeing and managing sustainability processes. It is in the context of these bodies [1] that the Board of Managing Directors is regularly informed about IROs identified in the double materiality assessment. The same applies to policies and actions to address the IROs. The Board of Managing Directors is also briefed on the implementation status of the ESG metrics and targets during quarterly Sustainability Committee meetings. The structure and implementation of management systems on sustainability-related due diligence and the related strategic projects are also addressed at these meetings.

The GRCC manages and monitors the implementation and development of appropriate governance, risk, and compliance management systems. This also includes sustainability matters such as ESG-related risks, opportunities, and actions as well as human rights compliance.

At its quarterly meetings, the Risk Sub-Committee addresses all of the Schaeffler Group's material risks and opportunities, including ESG-related risks and opportunities. It provides its risk management report to the Board of Managing Directors semiannually to update the Board on material opportunities and risks. Reporting to the audit committee of the Supervisory Board is performed annually.

Like the Board of Managing Directors, the Supervisory Board is also provided with information on the status of sustainability strategy execution at its regular meetings on an ongoing basis. Where necessary, the Supervisory Board is also involved in consultations on IROs. The Board of Managing Directors of Schaeffler AG has addressed the material IROs during the year. The material opportunities and risks were presented to the audit committee of the Supervisory Board. As the IROs did not change materially, the Supervisory Board did not have renewed occasion to address this issue in depth in 2025. A list of material IROs is set out in section ESRS 2 SBM-3.

[1] In exceptional cases, the relevant issues are brought to the plenary meetings of the Board of Managing Directors.

Integration of sustainability-related performance in incentive schemes [GOV-3]

Selected targets are incorporated into the annual performance-based remuneration of Managing Directors, management, and eligible employees to further incentivize the achievement of the ESG targets set by the company.

ESG targets are reflected in both the short-term bonus (STB) and the long-term bonus (LTB) of all eligible employee groups.

In the STB, selected ESG targets are weighted at 20% and defined annually. In setting targets, care is taken to ensure that remuneration reflects different ESG dimensions and that there is sufficient continuity in remuneration-relevant targets.

The Supervisory Board defines the targets for the variable remuneration of the Board of Managing Directors of Schaeffler AG, which then cascades these targets on to other management levels and eligible employees in the Schaeffler Group.

The following ESG targets were defined for the STB 2025:

- **"Increase waste efficiency"** by reducing the percentage of non-recycled waste to 9.4% or less (excluding construction and demolition waste).
- **"Improve qualification"** by raising the rate of participation in learning options to at least 68%.

The Schaeffler Group's strategy focuses on sustainability and, in particular, climate change mitigation. Therefore, a specific climate-related target, reducing Scope 1 GHG emissions, is also part of the LTB. For each LTB performance period, the Supervisory Board sets one or more targets that contribute to achieving the Schaeffler Group's climate-related targets. Target achievement for the relevant performance period is determined by comparing the relevant actual value to the target value set by the Supervisory Board. Unless otherwise specified, the decarbonization target is weighted at 25% (prior year: 25%), the percentage of the non-financial performance criteria for the LTB. During the year, a target to reduce Scope 1 GHG emissions by 2028 as a result of implemented actions, measured in metric tons of carbon dioxide equivalent (t CO_2eq), was set for the LTB. Scope 1 refers to the Schaeffler Group's direct emissions from combustion of fuel – defined as the primary emission sources of natural gas, heating oil, propane, and methanol – in stationary systems. Please refer to ESRS E1-3 for further information on the underlying actions.

In 2024, the Supervisory Board passed a resolution to fix the target achievement rates for the Scope 1 and Scope 2 GHG reduction target of the 2024–2027 tranche and unvested LTB tranches granted previously. The reason is that the ability to measure the GHG reduction target as originally agreed can no longer be ensured over time due to the merger of Vitesco Technologies Group AG into Schaeffler AG. The GHG reduction target is measured using a baseline value for the year 2019 for which only Schaeffler AG data is available as described in detail in ESRS E1-4.

The proportion of variable target-based remuneration linked to sustainability-related targets was 22.8% in 2025 (prior year: 22.6%). The percentage of the total variable remuneration recognized in the current period that is linked to the GHG reduction target amounts to 3.6% (prior year: 5.7%). Please refer to the remuneration system and/or the remuneration report for further details. As the Supervisory Board of Schaeffler AG does not receive any variable remuneration, no sustainability targets have been incorporated.

Statement on due diligence [GOV-4]

The main steps of due diligence are closely related to various general and topic-specific requirements under ESRS. The following mapping sets out the key elements of the due diligence process in place and describes where these are presented within the sustainability statement.

References to core elements of due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
(1) Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
(2) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 Disclosures on targets in the relevant topical standards
(3) Identifying and assessing negative impacts	ESRS 2 IRO-1 ESRS 2 SBM-3
(4) Taking actions to address those negative impacts	Disclosures on actions and transition plans in the relevant topical standards
(5) Tracking the effectiveness of these efforts and communicating	Disclosures on actions and targets in the relevant topical standards

Risk management and internal controls over sustainability reporting [GOV-5]

The Schaeffler Group's risk management system and internal control system are comprehensive and in place groupwide. Their coverage includes risks and controls relating to sustainability reporting.

A detailed description of the disclosures on the risk management system and the internal control system, including aspects relevant to sustainability reporting, required by ESRS 2.GOV-5 is included in the disclosures marked accordingly in the "Risk management system" section (pp. i16 et seq.) and the "Features of the company-wide control system" section (pp. i18 et seq.) of the group management report. This information also forms an integral component of this sustainability statement.

Strategy

Strategy, business model and value chain [SBM-1]

The Schaeffler Group has 111,651 (prior year: 115,937) employees.[1] Being a Motion Technology Company, the Schaeffler Group actively supports its customers in the wide range of motion technology with its comprehensive expertise in development, systems, and manufacturing. Its revenue amounts to EUR 23,492 m (prior year: EUR 18,188 m).

Number of employees by geographical area

	12/31/2025	12/31/2024
Headcount	End of reporting period	
Europe	65,597	68,391
Americas	16,729	18,279
Greater China	18,953	19,137
Asia/Pacific	10,372	10,130

A supplemental description of the disclosures on the strategy, business model, and value chain in accordance with ESRS 2.SBM-1.40 a i, ii is included in the disclosures marked accordingly in the "Fundamental information about the group" section (pp. 4 et seq.) of the group management report. This information also forms an integral component of this sustainability statement.

Sustainability and especially climate change mitigation are pivotal elements of the group strategy and significantly shape the Schaeffler Group's entire product range. The company strives to assume environmental and social responsibility toward its stakeholders throughout the value chain. This also encompasses targets aimed at promoting decarbonization and continuous improvement of working conditions and workplace safety in all geographic areas the Schaeffler Group operates in either directly or indirectly. The business activities of the Schaeffler Group are focused on developing innovative products and technologies for electric mobility, the circular economy, and remanufacturing. The company is working to minimize its own environmental footprint by optimizing energy-efficient products and reducing its consumption of resources in production.

Schaeffler AG's Board of Managing Directors set itself, as its first specific target related to relevant ESG ratings, the target of exceeding the industry average for focus ratings in order to continually enhance the strategic sustainability direction in 2025. For 2025, CDP Climate Change, EcoVadis, MSCI, and Morningstar Sustainalytics (core rating) were established as focus ratings. The target is considered achieved if all four ratings exceed their industry average as published by the rating agencies in each of the twelve months of the year. The target was not achieved by the end of 2025 since the relevant MSCI industry average was not exceeded in all of the twelve months. Focus ratings are determined based on defined criteria including internal and external as well as customer- and investor-related metrics. Focus ratings are internally reviewed bi-annually by the Strategic Sustainability department and the review is finally confirmed by the Sustainability Committee. The target and target achievement are regularly reviewed at the Sustainability Committee meetings. To determine target achievement, each month, the industry average relevant to Schaeffler as available from the ESG rating websites is compared to the relevant rating result as recorded and is then documented. For CDP, the relevant industry is "Metal products manufacturing", for EcoVadis "Manufacture of parts and accessories for motor vehicles", for MSCI "Auto components", and for Morningstar Sustainalytics "Auto components". For the ratings assigned by CDP and EcoVadis, the Schaeffler Group provides completed questionnaires that are largely based on the 2024 sustainability statement and other ESG-related information sources. The rating results assigned by MSCI and Sustainalytics are based on publicly available information sources, with MSCI citing the 2024 sustainability statement as one of its sources, and Sustainalytics primarily the 2023 sustainability report.

More on the group strategy on pp. 7 et seq.

Following the successful merger with Vitesco Technologies Group AG in 2024, the Schaeffler Group continues to push ahead with its strategic realignment. A comprehensively updated group strategy 2030 was communicated at the Capital Markets Day in September 2025. At the core of the group strategy is the vision of developing the Schaeffler Group into the leading Motion Technology Company. The new execution program with a time horizon until 2030 is being introduced in early 2026. Along with the existing four divisional and four horizontal subprograms, this execution program comprises an additional divisional subprogram titled "Corporate" and a horizontal subprogram titled "Customer Focus".

The previous "Strategy 2025" was successfully completed during the year and realized through the corresponding "Execution Program 2025". The cross-divisional "Sustainability & Infrastructure" subprogram is dedicated to embedding environmental and social responsibility in the company's value chain as a key success factor for sustainable management.

In 2025, the "Sustainability & Infrastructure" subprogram was restructured and divided into four overarching sustainability initiatives:

(1) Climate Action

(2) Circularity

[1] This figure differs from the number of employees reported in the "Organizational structure and business activities" chapter since, under ESRS, the term employee is considered to include all temporary employees.

(3) Human Rights & Work Conditions

(4) Sustainable Governance

These initiatives are aimed at driving the Schaeffler Group's sustainable transformation by topic. They comprise, for example, specific decarbonization activities in the supply chain, in production, and in the product portfolio. The initiatives also cover designing circular products and processes as well as implementation of sustainability-related due diligence topics. As part of the upcoming update of the execution program as part of the new group strategy 2030, the company plans to further adjust the number and scope of the new sustainability initiatives for years from 2026 onward.

The Schaeffler Group's sustainability strategy consists of five specific fields of action, with specific priorities set for each of these fields of action:

- **"Driving Climate Action towards Net-Zero"**, to reduce greenhouse gas emissions in the company's own operations and along the value chain
- **"Transitioning towards a Circular Economy"**, aimed at reducing the impact on the environment by integrating circular economy principles
- **"Protecting Human Rights & Work Conditions"**, to ensure and promote human rights and fair working conditions
- **"Empowering People for a Sustainable Future"**, to improve the skills of the company's own employees and of workers in the value chain, focusing on diversity, equity and inclusion, and retaining talents
- **"Ensuring Integrity in Decision Making"**, aimed at ensuring that the Schaeffler Group's decisions are guided by standards of integrity and stakeholder dialog with reliable data and transparent reporting.

Business model and value chain of the Schaeffler Group

The Schaeffler Group develops and manufactures components and systems for powertrains and chassis. The company also offers rolling and plain bearing solutions for various industries. Additionally, the company provides repair solutions in original-equipment quality for the global automotive spare parts market.

More on the Schaeffler Group's business activities on pp. 4 et seq.

The Schaeffler Group requires raw materials from large and small-scale mining, including ores for steel, aluminum, precious metals, copper, crude oil for polymers, rare earths, as well as processed components such as electronics for its production. Following extraction, these materials are processed in processes such as crushing, grinding, concentrating, refining, and smelting and are sourced from a global base of suppliers. The company sources parts and components such as castings and forgings, injection-molded plastic parts, as well as electronics components and raw steel from suppliers ranging from Tier 1 to indirect Tier n suppliers and processes and refines them in its own production plants worldwide. Manufacturing processes include tempering steel, heat treatment, forging and assembling end products, and manufacturing electronics.

In order to appropriately take into account the requirements along the value chain, the Schaeffler Group has introduced formats for engaging with various stakeholders, including project workshops and events. The company uses these formats to further embed and gradually implement sustainability in its portfolio and own operations. In this manner, the Schaeffler Group also aims to secure its inputs such as materials and raw materials while increasing the quality of its offering to customers, investors, and other relevant stakeholders.

Being a Motion Technology Company, the Schaeffler Group serves automobile and industrial manufacturers operating worldwide who install Schaeffler products in various end products in the downstream value chain, making them part of the relevant life cycle. These end products include vehicles with internal combustion engines as well as hybrid and electric vehicles, machines for metal fabrication and processing, for mining and raw materials processing, for agriculture, and construction machinery, wind turbines, and hydroelectric and solar power plants.

At the end of their life cycle, both the Schaeffler Group's products and the end products containing them are intended to be recycled, incinerated to generate energy, or disposed of in a manner that is as eco-friendly as possible.

Interests and views of stakeholders [SBM-2]

The Schaeffler Group maintains close communications with its stakeholders in a variety of formats and takes the interests and views of stakeholders, for instance on ESG topics, into account in its strategic and entrepreneurial decisions. The Schaeffler Group has established various principles for its interaction with certain stakeholders.

The summary on the following page provides an overview of the key stakeholders, the nature and purpose of engagement, and of how its outcomes are taken into account by the company. Further, the company takes into account the interests of additional stakeholder groups such as users and end users, workers in the value chain, affected communities, and vulnerable groups, as well as scientists and media representatives. Protecting nature is considered indirectly by non-governmental organizations (NGOs) and studies.

The regular dialog described herein has allowed the company to take the interests of stakeholder groups into account when assessing IROs in the materiality assessment. Many of the IROs identified as material are already being addressed in the sustainability strategy or the management systems for sustainability-related due diligence. A need for adjustments to the strategy and

management systems was identified for selected IROs and for certain sections of the value chain – especially the deeper supply chain and indirect business partners in the downstream value chain. Actions to meet these needs have been initiated.

The Schaeffler Group has supplemented these actions with strategic projects under the Schaeffler Sustainability Strategy in 2025. The projects are aimed at increasing engagement with affected stakeholders, such as workers in the value chain and affected communities. Additionally, they are determined to effectively addressing impacts and risks identified as material within the deeper supply chain in the Schaeffler Group's sustainability strategy and management systems. The company's aim in this is to build a stronger relationship with the relevant stakeholders and to promote trust. It also became clear that stakeholders are taking advantage of the increased opportunities to exert influence.

The Sustainability Committee is updated quarterly on the progress of the strategic projects regarding ESG topics, including on engagement with and expectations of stakeholders. The Supervisory Board is briefed as the need arises as well.

Interests and views of stakeholders

Stakeholders	Type of engagement	Purpose of engagement	Engagement outcomes taken into account
Customers	• Schaeffler Stakeholder Dialog • workshops and bilateral meetings • multi-stakeholder initiatives • trade fairs • responding to customer requests • participating in customers' sustainability dialogs	• ensuring customer satisfaction • gaining insight and meeting expectations • establishing strategic partnerships	• collaborations in various sustainability projects • cooperation in meeting sustainability targets • exchanging relevant ESG data
Employees	• information sessions • employee meetings • training formats • employee surveys • internal communication formats, e.g., Intranet MySchaeffler • whistleblowing system	• attracting and retaining employees • ensuring adequate working conditions and human rights • raising awareness and providing support with respect to sustainability	• measures promoting personal and career development • measures to improve communications, cooperation & processes • sustainability and climate training
Labor unions	• dialog • negotiations • contracts	• attracting and retaining employees • ensuring adequate working conditions • taking into account employees' interests	• good working conditions for employees • creating and preserving jobs
Suppliers and service providers	• Schaeffler Stakeholder Dialog • multi-stakeholder initiatives, e.g., Sector Dialogue Automotive Industry • supplier meetings • supplier section of Schaeffler website • whistleblowing system • trainings from RBA Academy and on specific topics	• assuming responsibility in the supply chain • partnerships, including for respecting human rights, decent working conditions, environmental protection, climate targets • improving cooperation and increasing influence within the supply chain	• long-term and sustainable business relationships and environment • improving working conditions of affected groups • strengthening resilience and increasing transparency along the upstream supply chain • carrying out joint pilot projects
Investors, analysts, and shareholders	• conferences • bilateral meetings • roadshows • responding to requests • financial/ESG reporting • annual general meeting • analyst and investor conference	• meeting expectations and requirements regarding ESG matters in order to favorably influence investment decisions	• transparent and stringent ESG reporting, including on the transformation trajectory • communication of relevant ESG metrics
Banks and lenders	• financial/ESG reporting • bilateral meetings	• meeting expectations and requirements regarding ESG matters for better credit terms	• Green and Sustainability-Linked Financing Frameworks • sustainability-linked KPIs in debt agreements
Civil society organizations and NGOs	• Schaeffler Stakeholder Dialog • multi-stakeholder initiatives • cross-sector partnerships • responding to requests • whistleblowing system	• good relations with civil society and its protection • obtaining feedback and recommendations for action	• strengthening human and environmental rights to contribute to a sustainable supply chain
Industry associations	• working groups	• sharing challenges and best practices • strengthening cooperation • industry standards and positions	• sharing best-practice approaches and know-how • developing joint industry standards
Governments, politics, and authorities	• bilateral meetings • information sessions • forums and events • consultations	• complying with legislation • lobbying • taking into account the development of new regulatory requirements	• complying with legal requirements • deriving measures based on political developments

Material IROs and their interaction with strategy and business model [SBM-3]

The overview on pp. 49 et seq lists the material IROs identified by the Schaeffler Group in its double materiality assessment.

Material IROs are described in detail in the introductions to the topic-specific chapters. The approach followed in the double materiality assessment, including the disclosures on changes in the material impacts, risks, and opportunities from the prior year, is discussed in detail in section ESRS 2 IRO-1.

The current and future influence of IROs on the company's strategy, business model, value chain, and decision-making is continually reviewed and corresponding actions are developed. In 2025, no IROs identified and no actions taken or planned resulted in any changes to the company's strategy or business model.

No events resulting in material financial effects occurred during the year in connection with the material sustainability-related risks and opportunities. Hence, there are also no indications that any material adjustments to the assets and liabilities reported in the related financial statements are expected within the next year.

Similarly, the resilience of the company's strategy and business model as well as its capacity to address current and future material impacts and risks and to take advantage of significant opportunities are continually monitored and actions are developed as needed. Findings from the climate and environmental resilience analyses described in ESRS E1, ESRS 2 SBM-3, and ESRS E4-1 are reflected in these activities as well.

Management of impacts, risks, and opportunities (IROs)

Description of the process to identify and assess material impacts, risks, and opportunities [IRO-1]

The Schaeffler Group's material IROs were identified and assessed in a process that was in accordance with the double materiality assessment process set out in ESRS 1. It was also based on the implementation guidance issued by the European Financial Reporting Advisory Group (EFRAG) in May 2024 and is being continually enhanced.

Two dimensions were considered when determining the materiality of sustainability matters: firstly, the materiality of the Schaeffler Group's impacts on people or the environment (inside-out), and secondly, the materiality of the financial risks and opportunities to the Schaeffler Group's business activities (outside-in) generated by sustainability matters.

Final approval of the IROs identified as material was granted by the Executive Board.

The company also ensures, via internal controls, that the methodology for the double materiality assessment is documented and material IROs are completely and properly included in the sustainability statement.

Impacts, risks, and opportunities (IROs)	Time horizon [1]			Value chain			Reference
	short-term	medium-term	long-term	upstream	own operations	downstream	
ESRS E1 Impacts associated with climate change							
CLIMATE CHANGE MITIGATION							
● **Emission of greenhouse gases** (Actual negative impacts)	■	□	□	■	■	■	ESRS E1
ENERGY							
● **High consumption of energy** (Actual negative impacts)	■	□	□	■	■	■	ESRS E1
ESRS E1 Physical risks associated with climate change							
● **Damage and interruption of operations due to natural hazards** (Physical risks)	■	□	□	□	■	□	ESRS E1
ESRS E1 Transition risks and opportunities associated with climate change							
● **Increasing costs due to stricter climate-related regulatory requirements (e.g., CBAM, CO_2eq pricing)** (Transition risks)	□	■	□	■	■	□	ESRS E1
● **Growing stakeholder demands for use of low-emission and eco-friendly materials** (Transition risks)	□	□	■	□	□	■	ESRS E1
● **Sales opportunities from changed customer preferences and increased demand for electric mobility solutions (Bearings & Industrial Solutions & E-Mobility)** (Opportunities)	□	■	□	□	□	■	ESRS E1
● **Sales opportunities from solutions for renewable energy (Bearings & Industrial Solutions)** (Opportunities)	□	■	□	□	□	■	ESRS E1
● **Sales opportunities from development and/or expansion of low-emission products and services (Bearings & Industrial Solutions)** (Opportunities)	□	■	□	□	□	■	ESRS E1

Impacts, risks, and opportunities (IROs)	Time horizon [1]			Value chain			Reference
	short-term	medium-term	long-term	upstream	own operations	downstream	
ESRS E2 Impacts and risks associated with pollution							
POLLUTION OF AIR							
● **Pollution of air through processes and products** (Actual negative impacts)	■	□	□	■	□	■	ESRS E2
POLLUTION OF WATER, SOIL, LIVING ORGANISMS, AND FOOD RESOURCES							
● **Pollution through raw material extraction processes** (Actual negative impacts)	■	□	□	■	□	■	ESRS E2
SUBSTANCES OF (VERY HIGH) CONCERN AND PFAS							
● **Use of substances of (very high) concern and PFAS** (Actual and potential negative impacts)	■	□	□	■	□	■	ESRS E2
● **General ban on PFAS (EU ban proposal)** (Risks)	□	■	□	■	□	■	ESRS E2
ESRS E3 Impacts and risks associated with water							
WATER							
● **Large freshwater withdrawals through own operations** (Actual negative impacts)	■	□	□	□	■	□	ESRS E3
● **Large water withdrawals and discharges in the value chain** (Actual negative impacts)	■	□	□	■	□	■	ESRS E3
● **Limited availability of water for own business processes and supply chain vulnerability to water scarcity in certain regions** (Physical risks)	□	□	■	■	■	□	ESRS E3
● **Growing stakeholder demands for closed-loop water circulation systems** (Transition risks)	□	■	□	□	□	■	ESRS E3

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts, risks, and opportunities.

● Impacts ● Risks ● Opportunities

Impacts, risks, and opportunities (IROs)	Time horizon [1]			Value chain			Reference
	short-term	medium-term	long-term	upstream	own operations	downstream	
ESRS E4 Impacts and risks associated with biodiversity and ecosystems							
DIRECT IMPACT DRIVERS OF BIODIVERSITY LOSS							
● **Contribution to direct impact drivers of biodiversity loss** (Actual negative impacts)	■	□	□	■	■	■	ESRS E4
IMPACTS AND RISKS RELATED TO THE STATE OF SPECIES, EXTENT AND CONDITION OF ECOSYSTEMS, AND ON ECOSYSTEM SERVICES							
● **Impacts on the state of species, extent and condition of ecosystems, and on ecosystem services from raw material extraction processes** (Actual negative impacts)	■	□	□	■	□	■	ESRS E4
● **Increasing costs due to growing ecosystem-related regulatory requirements (e.g., extraction of raw materials)** (Transition risks)	□	□	■	■	□	□	ESRS E4
ESRS E5 Impacts, risks, and opportunities associated with resource use and circular economy							
RESOURCE INFLOWS, INCLUDING RESOURCE USE							
● **Use of large quantities of primary materials** (Actual negative impacts)	■	□	□	■	■	□	ESRS E5
● **Limited availability of sustainable raw materials and components** (Transition risks)	□	□	■	■	□	□	ESRS E5
● **Increase in capital expenditure requirements due to stricter circular economy regulations** (Transition risks)	□	■	□	□	■	□	ESRS E5
RESOURCE OUTFLOWS RELATED TO PRODUCTS AND SERVICES							
● **Low recyclability of certain product materials** (Actual negative impacts)	■	□	□	□	■	■	ESRS E5
● **Sales opportunities from use of sustainable & recycled materials in products** (Opportunities)	□	■	□	□	■	■	ESRS E5

Impacts, risks, and opportunities (IROs)	Time horizon [1]			Value chain			Reference
	short-term	medium-term	long-term	upstream	own operations	downstream	
WASTE							
● **Generation of hazardous and non-hazardous waste** (Actual negative impacts)	■	□	□	■	■	■	ESRS E5
ESRS S1 Impacts and risks associated with own workforce							
WORKING CONDITIONS							
● **Decent and healthy working conditions** (Actual and potential positive impacts)	■	□	□	□	■	□	ESRS S1
● **Poor working conditions in risk-prone countries** (Potential negative impacts)	■	□	□	□	■	□	ESRS S1
● **Occurrence of work-related accidents** (Actual negative impacts)	■	□	□	□	■	□	ESRS S1
● **Job losses due to transformation processes** (Actual negative impacts)	■	□	□	□	■	□	ESRS S1
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL							
● **Training and development programs** (Actual positive impacts)	■	□	□	□	■	□	ESRS S1
● **Challenges related to equal treatment and opportunities for all of the company's own workforce** (Actual and potential negative impacts)	■	□	□	□	■	□	ESRS S1
OTHER WORK-RELATED RIGHTS							
● **Violations of other work-related rights** (Potential negative impacts)	■	□	□	□	■	□	ESRS S1
● **Data protection breaches** (Potential negative impacts)	■	□	□	□	■	□	ESRS S1

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts, risks, and opportunities.

● Impacts ● Risks ● Opportunities

Impacts, risks, and opportunities (IROs)	Time horizon [1]			Value chain			Reference
	short-term	medium-term	long-term	upstream	own operations	downstream	
ESRS S2 Impacts and risks associated with workers in the value chain							
WORKING CONDITIONS							
● **Poor working conditions of value chain workers** (Actual and potential negative impacts)	■	□	□	■	□	■	ESRS S2
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL							
● **Discriminatory practices and harassment of value chain workers** (Actual and potential negative impacts)	■	□	□	■	□	■	ESRS S2
OTHER WORK-RELATED RIGHTS							
● **Violation of other work-related rights of value chain workers** (Actual and potential negative impacts)	■	□	□	■	□	■	ESRS S2
ESRS S3 Impacts associated with affected communities							
COMMUNITIES' ECONOMIC, SOCIAL, AND CULTURAL RIGHTS							
● **Violations of economic, social, and cultural rights of surrounding communities** (Potential negative impacts)	■	□	□	■	□	■	ESRS S3
COMMUNITIES' CIVIL AND POLITICAL RIGHTS							
● **Disregard of civil and political rights of surrounding communities** (Potential negative impacts)	■	□	□	■	□	■	ESRS S3
RIGHTS OF INDIGENOUS PEOPLES							
● **Violations of rights of indigenous peoples** (Actual and potential negative impacts)	■	□	□	■	□	■	ESRS S3

Impacts, risks, and opportunities (IROs)	Time horizon [1]			Value chain			Reference
	short-term	medium-term	long-term	upstream	own operations	downstream	
ESRS G1 Impacts associated with business conduct							
CORPORATE CULTURE							
● **Strong corporate culture** (Actual positive impacts)	■	□	□	□	■	□	ESRS G1
WHISTLEBLOWER PROTECTION							
● **Lack of adequate whistleblower protection** (Potential negative impacts)	■	□	□	■	■	■	ESRS G1
CORRUPTION AND BRIBERY							
● **Impacts of corruption and bribery** (Potential negative impacts)	■	□	□	■	■	■	ESRS G1

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts, risks, and opportunities.

● Impacts ● Risks ● Opportunities

Process for identifying material impacts

The process for complete identification, assessment, and prioritization of all potential and actual positive and negative impacts on people and the environment was conducted in three steps:

Step 1 – Understanding the context: The starting point of the double materiality assessment was an assessment of the Schaeffler Group's business model and the relevant activities along the value chain including their potential relevance, especially for the sustainability matters listed in ESRS 1 AR 16. This included analyzing the requirements of relevant stakeholders, considering the results of prior years' materiality assessments, and conducting workshops with external experts. The analysis of relevant stakeholders' interests referred to pre-existing surveys and analyses as well as external studies.

Step 2 – Identification of impacts: Based on this understanding of the context, actual and potential positive and negative impacts were identified along the sustainability matters listed in ESRS 1 AR 16 and the time horizons defined in ESRS 1 section 6.4. This process considered the impacts with which the company is involved through its own operations and/or as a result of its business relationships. Along with ESRS topic-related matters, the Schaeffler Group also considered potential entity-specific topics and impacts.

Step 3 – Assessment of materiality: The impacts identified were assessed along the value chain based on the parameters required by ESRS – severity and likelihood – with likelihood only considered for potential impacts. For purposes of assessing negative impacts, severity was calculated as the average of the three factors scale, scope, and irremediable character. For positive impacts, severity was assessed based on scale and scope.

In order to facilitate a consistent approach to assessing these parameters, uniform qualitative assessment scales were applied in 2025. In addition, the company ensured that the severity of impacts carried greater weight than their likelihood.

Finally, the assessed results for each impact were mapped to a matrix with materiality thresholds. This matrix is harmonized with the matrix of the risk management system (RMS) with respect to the qualitative parameters of severity [1] and likelihood.

More on the risk management system in the "Governance systems" chapter on pp. i16 et seq.

The company did not re-inventory the complete population in 2025; rather, it reviewed and verified the existing results. Impacts assessed as exceeding the defined thresholds were classified as material to the Schaeffler Group and are reported on in this sustainability statement. A total of 29 impacts were classified as material (prior year: 30). These are set out in the table in section ESRS 2 SBM-3 and discussed in detail in the relevant "Environment", "Social", and "Business conduct" chapters.

The change in the number of impacts identified as material resulted from the review of the potential negative impact of payment practices on suppliers' economic situation classified as material in the prior year. In a sample-based analysis of payments made to suppliers, payment periods were identified and compliance with agreed payment terms reviewed, with a special focus on periods of more than 180 days. The analysis did not provide any indication of systematic payment delays and no increased risk for suppliers classified as small and medium-sized undertakings. Taking into account the data collected and methodology applied, the issue was classified as not material for 2025.

Process for identifying material risks and opportunities

Identification of sustainability-related risks and opportunities is integrated in the Schaeffler Group's existing RMS and, therefore, in its management process. Material risks were identified in three steps. The materiality of identified opportunities was fully assessed for the first time this year, similarly based on the methodology described below.

More on the risk management system in the "Governance systems" chapter on pp. i16 et seq.

Step 1 – Understanding the context and preparing for identification: In order to ensure the completeness of sustainability-related risks and opportunities considered, the company first analyzed the relevance of all sustainability matters set out in ESRS 1 AR 16. The Schaeffler Group then added the relevant sustainability matters to its existing catalog of risk and opportunity categories. Further, all identified impacts on people and the environment along with the associated stages of the value chain were input into the process in order to ensure that any financial risks and dependencies they could give rise to are captured and assessed as well.

Step 2 – Identification of risks and opportunities: The process of identifying all risks and opportunities was part of the Schaeffler Group's existing RMS. The timeframes for identifying risks and opportunities are also the same as the time horizons defined in ESRS 1 section 6.4 and are based on the Schaeffler Group's outlook period (one year), long-range plan (five years), and strategic plan (ten years).

[1] Severity replaces the amount of damage parameter in the RMS matrix.

Step 3 – Assessment of materiality: The materiality of sustainability-related risks and opportunities was assessed in accordance with the methodology defined in the Schaeffler Group's RMS.

A detailed description of the process for identifying and assessing material opportunities in accordance with ESRS 2.IRO-1.53 c is included in the disclosures marked accordingly in the "Risk management system" section (pp. i16 et seq.) of the group management report. This information also forms an integral component of this sustainability statement.

A total of nine risks (prior year: twelve risks) and four opportunities (prior year: four opportunities) were classified as material. These are set out in the table in section ESRS 2 SBM-3 and discussed in detail in the relevant Environment and Social chapters.

Unlike for the prior year, risks that could arise from violations of legal obligations to take remedial action on human rights violations against the company's own workforce and against workers in the value chain are classified as not material for 2025. In 2025, no confirmed incidents relevant to human rights were identified either in own operations or in the value chain. Regularly performed controls, implemented preventive measures, as well as defined and established processes help mitigate potential risks.

The identification process for sustainability-related risks and opportunities identified climate-related physical risks as well as transition risks and opportunities.

Identification of physical risks

Climate-related physical risks were identified as part of the Schaeffler Group's existing RMS.

Step 1 – Selection of scenario: The Schaeffler Group bases its identification of physical risks on the global database of an external service provider that contains simulations of climate-related natural hazards under various scenarios and up-to-date scientific findings. The SSP5-8.5 environmental and climate scenario of the Intergovernmental Panel on Climate Change (IPCC) was selected as the key scenario. It describes a shared socioeconomic pathway (SSP) with high emissions and an expected increase in temperature to more than 4°C above pre-industrial levels.

Step 2 – Identification and assessment of physical risks: Based on this scenario, the Schaeffler Group used exact geographic coordinates to identify those locations in its own operations that may potentially be affected by physical risks within three forecasting horizons. The forecasting horizons are based on the timeframes defined in the RMS. The only deviation is that the company used the year 2050 – rather than ten years – in modeling the long-term period. Both acute natural hazards (e.g., floods or earthquakes) and extreme weather events (e.g., storms, extreme precipitation), and also chronic climate hazards (e.g., heat stress and water scarcity) were taken into account.

Along with locations in its own operations, the company also considered locations of critical suppliers in the upstream value chain. Strategic customers in the downstream value chain were included in the assessment as well.

The Schaeffler Group's quantitative assessment of the vulnerability of assets and operations to these hazards followed a systematic approach that reflected the length of potential operation downtimes until operations are restored. Potential losses in the form of assets destroyed and their replacement cost are included in the assessment as well. As set out in the description of the standard process, the materiality of these physical risks was determined along the parameters of potential amount of damage and likelihood, and the thresholds defined for these parameters.

Identification of transition risks and opportunities

As part of the existing RMS, the Schaeffler Group also held workshops with internal experts of the various functions with the aim of identifying environmental and climate-related transition risks and opportunities along the value chain.

Step 1 – Selection of scenario: Here, the Schaeffler Group has defined an environmental and climate scenario that corresponds to the SSP1-2.6 scenario of the IPCC. The scenario reflects up-to-date scientific findings from the Net Zero Emissions (NZE) 2050 scenario of the International Energy Agency (IEA) [1], the SSP1 scenario of the IPCC, and additional recognized sources and key drivers of change for the Schaeffler Group until the year 2050. That year is used as the relevant time horizon for the life cycle of important assets of the Schaeffler Group, specifically its production plants, and also represents the global target of the Paris Agreement. The scenario narrative describes effective and consistent cooperation of governments, private businesses, and society with implementation of strict global environmental regulations. The automotive industry experiences a major shift away from vehicles with internal combustion engines toward electric vehicles and renewable energies that are considered socially acceptable sources of energy. This trend continues to be driven by technological progress. In addition, demographic change is accelerating and changing mobility patterns are leading to an increase in passenger rail transport. All of this helps reduce impacts on the environment, with only minor changes in the availability of ecosystem services and in climate change.

Step 2 – Identification and assessment of transition risks and opportunities: Given this scenario, the company defined the growing demand for electric mobility solutions and for renewable energy as well as increasing sustainability requirements as its most notable relevant transition events needing significant efforts toward decarbonization of the economy. On that basis, the Schaeffler Group identified and assessed – for the time

[1] The data set used is based on the "World Energy Outlook (WEO) 2024".

horizons set out in the RMS – both transition risks and opportunities. The materiality of these risks and opportunities was similarly determined as set out in the description of the standard process.

The processes described herein also considered possible biodiversity and ecosystems-related dependencies, physical risks, and transition risks and opportunities. The Schaeffler Group did not identify any dependencies on biodiversity or on ecosystems and ecosystem services for its own locations. Any systemic risks resulting from a severe failure of ecosystems and ecosystem services were not considered since they are not expected under the scenario used. However, should the already severe loss of biodiversity accelerate, this would have a significant impact on society as a whole and the financial and economic system and, therefore, necessarily also on the Schaeffler Group.

The climate scenarios applied are consistent throughout the entire group management report since all of the risks identified are comprehensively integrated in the company-wide RMS. As a result, climate-related risks are an integral component of managing the company, facilitating comprehensive and coherent management of risks.

Additional information on methodologies and topic-specific IRO-1 datapoints

IROs for the company's own locations and operations for all ESRS matters [1] were identified in close collaboration with the relevant functions and experts from the relevant technical departments and with the help of appropriate tools. In order to reach the most objective and evidence-based assessments possible, the company drew on the knowledge gained from their regular dialog with locations and regional coordinators as well as data from the established Energy, Environment, Health and Safety (EnEHS) management system and the Eco-Management and Audit Scheme (EMAS) environmental management system. These systems are based on the ISO 50001, ISO 14001, ISO 45001 standards on energy, the environment, and occupational health and safety, and are subject to regular internal and external audits. Additionally, results from existing due diligence systems were taken into account to the extent possible; along with the company's own operations, these systems also cover direct suppliers as well as selected parts of the deeper supply chain and include addressing impacts and risks in supply chains for conflict commodities, for instance.

However, only limited data for the value chain is available in 2025 due to the complexity and the scope of the processes to be considered. Therefore, material impacts and risks, particularly in the deeper supply chain, were primarily identified via an abstract risk analysis performed internally, the Critical Raw Materials Analysis. This analysis was performed for the first time in 2024 and updated in 2025. It is based on findings from country and sector studies, such as those by the Responsible Minerals Initiative, and analyzes environmental, social, and governance problems related to the extraction of raw materials contained in the Schaeffler Group's products.

As a result, the Schaeffler Group has identified numerous impacts on environmental, social, human rights, and governance topics – especially in connection with the value chain and raw material extraction – which it could be indirectly involved in via its connection with companies in the deeper up- and downstream value chain.

The Schaeffler Group follows an approach of transparency while striving for improved availability of entity-specific data along the entire value chain. Potential approaches for this were discussed with external stakeholders such as civil society organizations and scientists. As part of the Catena-X sector initiative, the company is also actively involved in developing technical standards designed to simplify communicating data on environmental and human rights-related incidents along the supply chain.

There was no direct dialog with potentially affected communities regarding identified impacts during the year.

The materiality assessment took into account the fact that the Schaeffler Group has seven locations (prior year: three locations) situated in or near biodiversity-sensitive areas. However, there are no indications that operations at these locations would negatively affect these areas by leading to the deterioration of natural habitats or the habitats of species or to the disturbance of the species for which the protected area has been designated. Therefore, the company has concluded that no remedial actions need to be implemented in this context.

The Schaeffler Group identifies impacts on climate change from direct and indirect greenhouse gas (GHG) emissions using the GHG Protocol methodology (see section ESRS E1-6).

Additional information

A list of the disclosure requirements complied with in preparing the sustainability statement based on the outcome of the materiality assessment, and a table of all the datapoints that derive from other EU legislation as listed in ESRS 2 Appendix B are set out in chapter 5.5 Additional information.

[1] This includes, inter alia, the ESRS topical IRO-1 datapoints for: E1 "Climate change", E2 "Pollution", E3 "Water and marine resources", E4 "Biodiversity and ecosystems", E5 "Resource use and circular economy", and G1 "Business conduct".

5.2 Environment

Disclosures in accordance with Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)

Basis for preparation

The Taxonomy Regulation (EU) 2020/852 (EU taxonomy) requires Schaeffler AG to disclose turnover [1], capital expenditure (CapEx), and operating expenditure (OpEx) related to environmentally sustainable economic activities as defined by Articles 3 and 9 for the Schaeffler Group. To ensure comparability across companies, the EU taxonomy prescribes a classification system for environmentally sustainable activities. Based on this system, the company's economic activities are classified according to their environmental sustainability. The classification system is broken down into six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

The Taxonomy Regulation defines economic activities that have the potential to contribute to the environmental objectives and that are referred to as taxonomy-eligible. The portion of taxonomy-eligible activities that is actually environmentally sustainable is referred to as taxonomy-aligned. Taxonomy alignment requires fulfillment of the following three sets of criteria:

1. Substantial contribution to one of the six environmental objectives
2. No significant harm to the other five environmental objectives ("Do no significant harm", DNSH)
3. Compliance with minimum social and governance requirements (minimum safeguards)

General assumptions

The Schaeffler Group will not adopt the relief provisions on applying the EU taxonomy set out in Commission Delegated Regulation (EU) 2026/73 until 2026.

Materiality thresholds for inclusion of individual economic activities were defined as part of the EU taxonomy implementation process. To prevent turnover and capital expenditures related to more than one economic activity from being counted twice, the company developed a detailed process with relevant control procedures at the level of individual turnover and capital expenditure items, and each product group as well as each capital expenditure and operating expenditure was assigned only one economic activity in accordance with the KPI definition. Taxonomy eligibility and existence of a substantial contribution were assessed at the economic activity level, as were the specific DNSH criteria. The criteria outlined in Appendixes A, B, C, and D of Annex I of Delegated Regulation (EU) 2021/2139, including the amendments made by Delegated Regulation (EU) 2023/2485, and the requirements for minimum safeguards were assessed centrally.

DNSH assessment

The Schaeffler Group meets the DNSH criteria of the appendixes for all taxonomy-aligned activities. As required by Appendix A, a climate risk and vulnerability assessment was performed for all relevant locations. Certain climate risks were ruled out as a result of this assessment. All relevant climate risks were then reviewed in detail and addressed as part of risk management for each of these locations. Based on the criteria addressed in EMAS certification, internal guidelines, and risk mitigation measures taken, all relevant locations were evaluated for the potential risk of environmental degradation related to water scarcity and compromised water quality as outlined in Appendix B. The results do not indicate any significant harm as specified in Appendix B. The relevant taxonomy-aligned activities meet the requirements set out in Appendix C as evidenced by reviews of internal and external databases, by expert interviews, and taking into account assumptions regarding the substitutability of purchased parts. As a result, there is no significant harm as specified in Appendix C. The assessment with respect to Appendix D identified only seven locations situated in or near biodiversity-sensitive areas. A limit of 500 meters was defined for this purpose. Any potential harm within the meaning of Appendix D can be ruled out as a result of compliance with local requirements that are part of the existing EMAS validation. The other DNSH criteria were assessed on the basis of the company's specific economic activity.

Assessment of minimum safeguards

The assessment of minimum safeguards focused on human rights, anti-corruption, fair competition, and taxation with reference to the recommendations made by the EU Platform on Sustainable Finance, and examined the relevant stages of the value chain, including direct and indirect suppliers, own operations, customers, and other business partners.

The Schaeffler Group is guided by the six-step due diligence process set out in the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD), which are aligned with the UN Guiding Principles on Business and Human Rights. The six steps are:

[1] The term "turnover" used in the "EU Taxonomy" section of this report corresponds to the term "revenue" used elsewhere in this report.

1. Embed responsible business conduct (RBC) into policies and management systems
2. Perform due diligence by identifying actual and potential adverse impacts on RBC matters
3. Cease, prevent, and mitigate adverse impacts
4. Track implementation and results
5. Communicate how adverse impacts are addressed
6. Provide for or cooperate in remediation when appropriate

These six steps are addressed as part of the three relevant compliance management systems on human rights (Human Rights CMS), business integrity (Business Integrity CMS), and tax (Tax CMS) in accordance with IDW PS 980.

More on the Schaeffler Group's compliance management system on pp. i21 et seq.

Information about the requirements for minimum safeguards is provided both internally and to all business partners (such as direct suppliers) by way of publicly available documents such as the Schaeffler Group's Code of Conduct and Business Partner Code of Conduct (see section ESRS S2-1 Policies). Additional measures that build on these requirements such as risk analyses and preventive and control measures are carried out regularly. Potential violations in any of the areas can be reported through the whistleblowing system, the Schaeffler Group's central grievance mechanism.

The Schaeffler Group did not have any convictions in any of the four areas – human rights, anti-corruption, fair competition, and tax – in 2025, which the company considers an indication that the management systems in place are effective. Similarly, an analysis of the areas to be considered for the minimum safeguards – "controversial weapons" and "science, technology, and innovation" did not find any violations of the minimum safeguard requirements.

The assessment of the DNSH criteria and minimum safeguards requirements outside Europe does not differ from the assessment within Europe.

Economic activity assessment

The Schaeffler Group's cross-divisional and cross-functional project team identified several relevant economic activities. Unless indicated otherwise, all economic activities discussed below relate to the environmental objective of climate change mitigation.

The Schaeffler Group contributes to expanding the use of renewable energies by manufacturing technology for wind power. Any turnover, CapEx, and OpEx related to technology for wind power are taxonomy-eligible under **3.1 Manufacture of renewable energy technologies**. Since the substantial contribution criteria and the DNSH criteria for circular economy are met as well, these amounts are also considered taxonomy-aligned.

The Schaeffler Group pursues two different business activities involving hydrogen: stack solutions and services for electrolyzers to produce hydrogen as well as components for fuel cell vehicles, i.e., for using hydrogen. Following a renewed review of the description of the economic activity, these business activities do not fall into **3.2 Manufacture of equipment for the production and use of hydrogen**.

The manufacture of components for batteries and battery management systems by the Schaeffler Group can be attributed to economic activity **3.4 Manufacture of batteries**. The substantial contribution by activity 3.4 to the environmental objective of climate change mitigation is evidenced by the fact that the electronic components manufactured are destined for the transport sector and are part of the electrification solutions contained in the product portfolio. Preference is given to the use of secondary raw materials in production to the extent technologically possible. The applicable sustainability rules for placing batteries on the market are taken into account. Therefore, the technical screening criteria are met.

Economic activity **3.18 Manufacture of automotive and mobility components** includes both automotive and two-wheeler activities. The description of the economic activity, from which taxonomy eligibility is derived, is interpreted to mean that taxonomy eligibility already requires meeting the technical screening criteria. The activities identified as taxonomy-eligible reflect the list of relevant components provided in Commission Delegated Regulation (EU) 2023/2485 of June 27, 2023. They include chassis parts, actuators, sensors, and shifting and disconnecting systems that are used exclusively in battery-electric vehicles as well as parts for emission-free two-wheelers. These activities also meet the specific DNSH criteria for circular economy and pollution prevention and control; hence, they are also taxonomy-aligned.

The description of economic activity **3.19 Manufacture of rail rolling stock constituents** is also interpreted to mean that the technical screening criteria are already relevant for taxonomy eligibility. All non-diesel rail activities meet the specific DNSH criteria for circular economy and pollution prevention and control, and are therefore both taxonomy-eligible and taxonomy-aligned.

The Schaeffler Group also produces components that fall under economic activity **3.21 Manufacturing of aircraft**. Since the substantial contribution criteria are not met, however, the company reports only taxonomy eligibility.

Regarding the company's internal infrastructure, the Schaeffler Group also identified material CapEx in connection with its vehicle fleet, buildings, and IT.

In accordance with taxonomy requirements, additions to the vehicle fleet were evaluated as CapEx associated with economic activity **6.5 Transport by motorbikes, passenger cars, and light commercial vehicles**. While it would be possible to evaluate the substantial contribution criteria, not all DNSH requirements could be evaluated due to data availability. As a result, only taxonomy eligibility is reported.

Real estate-related investments and operating expenditure for the year mainly relate to activities **7.2 Renovation of existing buildings** and **7.7 Acquisition and ownership of buildings**. CapEx reported under 7.7 almost exclusively relates to the construction of new buildings for the company's own use and real estate-related leases. Taxonomy alignment of each individual construction project with a CapEx above EUR 250,000 was assessed by comparing the building features to relevant technical screening criteria. Due to the extent of substantial contribution criteria and specific DNSH criteria, only part of these activities is classified as taxonomy-aligned. The capital expenditures falling under 7.2 are also taxonomy-eligible for the environmental objective of transition to a circular economy under economic activity **3.2 Renovation of existing buildings**; they do not meet the substantial contribution criteria.

In order to expand the use of renewable energy, capital expenditures were made on heat pumps and photovoltaic projects on-site that fall under economic activity **7.6 Installation, maintenance, and repair of renewable energy technologies**. These capital expenditures are fully taxonomy-aligned.

Additionally, the Schaeffler Group has made capital expenditures that are related to data processing centers, making them taxonomy-eligible under economic activity **8.1 Data processing, hosting and related activities**. Since they do not meet the substantial contribution criteria, however, this CapEx is not taxonomy-aligned.

Overview of 2025 EU taxonomy metrics

in %	Taxonomy-aligned	Taxonomy-eligible but not aligned	Taxonomy-eligible	Taxonomy-non-eligible
Turnover	8.9	1.5	10.4	89.6
CapEx	38.9	13.6	52.5	47.5
OpEx	16.4	11.9	28.3	71.7

The proportion of the Schaeffler Group's **turnover** that is taxonomy-eligible is 10.4% (prior year: 10.1%). It is spread across all divisions of the Schaeffler Group. The taxonomy-eligible turnover can be attributed to economic activities 3.1 Manufacture of renewable energy technologies, 3.4 Manufacture of batteries, 3.18 Manufacture of automotive and mobility components, 3.19 Manufacture of rail rolling stock constituents, and 3.21 Manufacturing of aircraft. The proportion of the Schaeffler Group's turnover that is taxonomy-aligned is 8.9% (prior year: 8.4%). The deviation from taxonomy eligibility is due to economic activity 3.21, for which the specific technical screening criteria are not met. Compared to the prior year, material turnover related to economic activity 3.4 Manufacture of batteries was identified for the first time in 2025. The basis for the relative disclosures is the revenue metric in the consolidated income statement for 2025. The calculation is based on attributing turnover to relevant customers and reflects assumptions based on market data. All of the Schaeffler Group's turnover is revenue from contracts with customers.

The proportion of the Schaeffler Group's **CapEx** that is taxonomy-eligible is 52.5% (prior year: 12.8%) and includes investment associated with the core automotive, wind, manufacture of batteries, aerospace, and two-wheelers business activities as well as investment in real estate, IT, and vehicle fleet. The proportion of the Schaeffler Group's CapEx that is taxonomy-aligned is 38.9% (prior year: 7.8%). This difference results from the fact that the technical screening criteria are not met, either in part or in full, for aerospace as well as for vehicle fleet, IT, and real estate. Due to the one-off impact of the merger of Vitesco Technologies Group AG into Schaeffler AG on the prior year's CapEx denominator, the relative disclosures on taxonomy-eligibility and -alignment are not comparable to the prior year. CapEx KPIs are calculated by evaluating individual capital expenditure items based on project assumptions, approved strategies, and expert estimates. The basis for the relative disclosures is the sum of the additions to intangible assets, right-of-use assets under leases, and property, plant and equipment as set out in the "Notes to the consolidated statement of financial position" chapter. In accordance with the definition in the EU Taxonomy Regulation, the calculation also reflects relevant additions from initial consolidation of subsidiaries during the year. EUR 22 m in taxonomy-aligned CapEx results from additions to capitalized right-of-use assets associated with economic activity 3.1. All other taxonomy-aligned CapEx is the result of additions to property, plant and equipment and is associated with taxonomy-aligned economic activities. None of the taxonomy-aligned amounts result from business combinations or are associated with intangible assets, investment property, or CapEx plans.

The proportion of **OpEx** that is taxonomy-eligible is 28.3% (prior year: 28.1%) and is associated with automotive, battery, wind, rail, aerospace, and two-wheeler activities and building maintenance. The proportion of the Schaeffler Group's OpEx that is taxonomy-aligned is 16.4% (prior year: 18.4%). This difference results from the fact that the technical screening criteria are not met, either in part or in full, for aerospace and for real estate. OpEx KPIs are calculated, firstly, based on evaluation of individual projects, partly using future-oriented market data. Secondly, an allocation model based on turnover KPIs applies to projects directly associated with taxonomy-relevant turnover. Material differences to the prior year are the result of all maintenance

expenditures associated with buildings being reported as taxonomy-eligible for the first time in 2025. These relative disclosures are based on the research and development costs plus the maintenance costs associated with the Schaeffler Group's production plants. As defined in the EU Taxonomy Regulation, the calculation includes the costs associated with daily maintenance of property, plant and equipment but excludes the non-relevant costs contained therein. Research and development costs were measured before reimbursements for the first time in 2025. To ensure comparability, prior year amounts were recalculated in accordance with this change. All taxonomy-aligned OpEx is associated with taxonomy-aligned economic activities and is not part of any CapEx plans. None of the taxonomy-aligned OpEx falls under the categories of short-term lease or any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

Quantitative breakdown of the OpEx numerator

in € millions	CCM[1)] 3.1	CCM 3.4	CCM 3.18	CCM 3.19	CCM 7.7	Total
Research and development	5	33	391	4	–	433
Building renovation measures	–	–	–	–	1	1
Short-term leases	–	–	–	–	–	0
Maintenance and repair	17	28	135	7	–	187
Other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment	–	–	–	–	–	0
OpEx taxonomy-aligned, total	**22**	**61**	**526**	**10**	**1**	**621**

1) **CCM** climate change mitigation.

Turnover

				Substantial contribution criteria						DNSH criteria ("No significant harm")								Category	
Economic activities	Code	Turnover in € millions	Proportion of turnover 2025	CCM [1]	CCA [2]	WTR [3]	PPC [4]	CE [5]	BIO [6]	CCM [1]	CCA [2]	WTR [3]	PPC [4]	CE [5]	BIO [6]	Minimum safeguards	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) turnover, 2024	Enabling activities	Transitional activities
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	515	2.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.8%	E	
Manufacture of batteries	CCM 3.4	203	0.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	n. a.	E	
Manufacture of automotive and mobility components	CCM 3.18	1,150	4.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.2%	E	
Manufacture of rail rolling stock constituents	CCM 3.19	234	1.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.3%	E	
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		2,101	8.9%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	8.4%		
• of which enabling		2,101	8.9%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	8.4%	E	
• of which transitional		0	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Manufacturing of aircraft	CCM 3.21	349	1.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.7%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		349	1.5%	100%	0.0%	0.0%	0.0%	0.0%	0.0%								1.7%		
A. Turnover of taxonomy-eligible activities (A.1+A.2)		2,450	10.4%	100%	0.0%	0.0%	0.0%	0.0%	0.0%								10.1%		
B. Taxonomy-non-eligible activities																			
Turnover of taxonomy-non-eligible activities		21,042	89.6%																
Total		**23,492**	**100%**																

[1] **CCM** climate change mitigation
[2] **CCA** climate change adaptation
[3] **WTR** water and marine resources
[4] **PPC** pollution prevention and control
[5] **CE** circular economy
[6] **BIO** biodiversity and ecosystems

Y yes, activity taxonomy-eligible and taxonomy-aligned with the relevant environmental objective
N no, activity taxonomy-eligible but not taxonomy-aligned with the relevant environmental objective
E enabling activity
T transitional activity
N/EL "not eligible", activity not taxonomy-eligible for the relevant environmental objective
EL "eligible", activity taxonomy-eligible for the relevant environmental objective

CapEx

				Substantial contribution criteria						DNSH criteria ("No significant harm")								Category	
Economic activities	**Code**	**CapEx in € millions**	**Proportion of CapEx 2025**	**CCM [1]**	**CCA [2]**	**WTR [3]**	**PPC [4]**	**CE [5]**	**BIO [6]**	**CCM [1]**	**CCA [2]**	**WTR [3]**	**PPC [4]**	**CE [5]**	**BIO [6]**	**Minimum safeguards**	**Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) CapEx, 2024**	**Enabling activities**	**Transitional activities**
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	37	3.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.4%	E	
Manufacture of batteries	CCM 3.4	21	1.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.9%	E	
Manufacture of automotive and mobility components	CCM 3.18	281	25.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5.1%	E	
Manufacture of rail rolling stock constituents	CCM 3.19	7	0.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	n. a.	E	
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	17	1.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	n. a.	E	
Acquisition and ownership of buildings	CCM 7.7	65	5.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.5%		
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		428	38.9%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	7.8%		
• of which enabling		363	33.0%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	6.3%	E	
• of which transitional		0	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Manufacturing of aircraft	CCM 3.21	20	1.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	41	3.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6%		
Renovation of existing building	CCM 7.2/ CE 3.2	13	1.2%	EL	N/EL	N/EL	N/EL	EL	N/EL								n. a.		
Acquisition and ownership of buildings	CCM 7.7	67	6.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.0%		
Data processing, hosting and related activities	CCM 8.1	8	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								n. a.		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		150	13.6%	100%	0.0%	0.0%	0.0%	0.0%	0.0%								5.0%		
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		578	52.5%	100%	0.0%	0.0%	0.0%	0.0%	0.0%								12.8%		
B. Taxonomy-non-eligible activities																			
CapEx of taxonomy-non-eligible activities		523	47.5%																
Total		**1,101**	**100%**																

[1] **CCM** climate change mitigation
[2] **CCA** climate change adaptation
[3] **WTR** water and marine resources
[4] **PPC** pollution prevention and control
[5] **CE** circular economy
[6] **BIO** biodiversity and ecosystems

Y yes, activity taxonomy-eligible and taxonomy-aligned with the relevant environmental objective
N no, activity taxonomy-eligible but not taxonomy-aligned with the relevant environmental objective
E enabling activity
T transitional activity
N/EL "not eligible", activity not taxonomy-eligible for the relevant environmental objective
EL "eligible", activity taxonomy-eligible for the relevant environmental objective

OpEx

				Substantial contribution criteria						DNSH criteria ("No significant harm")								Category	
Economic activities	**Code**	**OpEx in € millions**	**Proportion of OpEx 2025**	**CCM [1]**	**CCA [2]**	**WTR [3]**	**PPC [4]**	**CE [5]**	**BIO [6]**	**CCM [1]**	**CCA [2]**	**WTR [3]**	**PPC [4]**	**CE [5]**	**BIO [6]**	**Minimum safeguards**	**Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) OpEx, 2024**	**Enabling activities**	**Transitional activities**
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	22	0.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.5%	E	
Manufacture of batteries	CCM 3.4	61	1.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.8%	E	
Manufacture of automotive and mobility components	CCM 3.18	526	13.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	15.6%	E	
Manufacture of rail rolling stock constituents	CCM 3.19	10	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5%	E	
Acquisition and ownership of buildings	CCM 7.7	1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		621	16.4%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	18.4%		
• of which enabling		620	16.3%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	18.4%	E	
• of which transitional		0	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Manufacturing of aircraft	CCM 3.21	13	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Acquisition and ownership of buildings	CCM 7.7	440	11.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.2%		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		452	11.9%	100%	0.0%	0.0%	0.0%	0.0%	0.0%								9.7%		
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		1,073	28.3%	100%	0.0%	0.0%	0.0%	0.0%	0.0%								28.1%		
B. Taxonomy-non-eligible activities																			
OpEx of taxonomy-non-eligible activities		2,722	71.7%																
Total		**3,795**	**100%**																

[1] **CCM** climate change mitigation
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Y yes, activity taxonomy-eligible and taxonomy-aligned with the relevant environmental objective
N no, activity taxonomy-eligible but not taxonomy-aligned with the relevant environmental objective
E enabling activity
T transitional activity
N/EL "not eligible", activity not taxonomy-eligible for the relevant environmental objective
EL "eligible", activity taxonomy-eligible for the relevant environmental objective

Disclosure of extent of taxonomy eligibility and alignment by environmental objective

	Proportion of turnover/total turnover		Proportion of CapEx/total CapEx		Proportion of OpEx/total OpEx	
in %	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	8.9%	10.4%	38.9%	52.5%	16.4%	28.3%
CCA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WTR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CE	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%
PPC	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CCM climate change mitigation
CCA climate change adaptation
WTR water and marine resources
CE circular economy
PPC pollution prevention and control
BIO biodiversity and ecosystems

Nuclear and fossil gas related activities [1)]

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds, or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	no
2.	The undertaking carries out, funds, or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	no
3.	The undertaking carries out, funds, or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	no
	Fossil gas related activities	
4.	The undertaking carries out, funds, or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	no
5.	The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	no
6.	The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	no

[1)] Template 1 of Annex III to Commission Delegated Regulation (EU) 2022/1214.

Climate change [ESRS E1]

Impacts, risks, and opportunities (IROs) [SBM-3]

Material climate-related impacts on the environment and people as well as material risks and opportunities of the Schaeffler Group were identified within the company's own operations and along the upstream and downstream value chain in the materiality assessment. These are set out in the following overview. [1]

Impacts associated with climate change

CLIMATE CHANGE MITIGATION

● **Emission of greenhouse gases**
(Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	■ own operations	■ downstream

There are actual negative impacts on the environment across the entire value chain, caused by GHG emissions that are driving climate change and contributing to an increase in the intensity and frequency of extreme weather events.

Emissions are generated within the Schaeffler Group as, for instance, some energy-intensive production processes, such as the processing of raw steel, are powered by energy that is not yet fully generated from renewable sources.

Emissions in the upstream and downstream value chain primarily arise from extraction and processing of raw materials, from production of intermediate products and components, and in the use phase. However, automotive and industrial production at the customer, end-of-life treatment, as well as transport and logistics processes are also associated with significant GHG emissions.

ENERGY

● **High consumption of energy**
(Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	■ own operations	■ downstream

There are actual negative impacts on the environment across the entire value chain, caused by high consumption of energy that is not yet fully covered by renewable energy sources.

Within the Schaeffler Group, some processes, such as processing of raw steel, are associated with considerable energy consumption.

In addition, there are numerous energy-intensive processes along the entire upstream and downstream value chain, ranging from raw material extraction and processing to transport and end-of-life treatment.

Physical risks associated with climate change

● **Damage and interruption of operations due to natural hazards**
(Physical risks)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

Natural hazards such as extreme weather events, floods, and earthquakes can damage assets of the Schaeffler Group such as production sites, offices, or research and development laboratories. Direct consequences are production stoppages that can result in loss of revenue, while indirect costs include rising insurance costs and risks to the health and safety of employees.

Transition risks and opportunities associated with climate change

● **Increasing costs due to stricter climate-related regulatory requirements (e.g., CBAM, CO_2eq pricing)**
(Transition risks)

Time horizon:	☐ short-term	■ medium-term	☐ long-term
Stage of the value chain:	■ upstream	■ own operations	☐ downstream

Rising CO_2eq taxes and charges increase operating costs and can reduce income. At the same time, the Carbon Border Adjustment Mechanism (CBAM) is increasing costs in the upstream value chain. In many European countries where the Schaeffler Group has operations, CO_2eq pricing has already been introduced or is being planned. As there is a possibility that suppliers will pass on their costs, this can lead to higher prices of raw materials and components. Similarly, CO_2eq pricing can also directly impact the Schaeffler Group via its own operations, increasing operating costs.

● **Growing stakeholder demands for use of low-emission and eco-friendly materials**
(Transition risks)

Time horizon:	☐ short-term	☐ medium-term	■ long-term
Stage of the value chain:	☐ upstream	☐ own operations	■ downstream

Growing stakeholder demands on the Schaeffler Group regarding the use of low-emission and eco-friendly materials and their limited availability represent a risk to the company. This scarcity can lead to increased raw materials prices and production bottlenecks, which result in higher costs and potential loss of revenue. Non-compliance with regulatory requirements and the resulting liability risks can damage the company's reputation.

● **Sales opportunities from changed customer preferences and increased demand for electric mobility solutions (Bearings & Industrial Solutions & E-Mobility)**
(Opportunities)

Time horizon:	☐ short-term	■ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	☐ own operations	■ downstream

The markets the Schaeffler Group operates in are marked by rapid technological change (e.g., transition from internal combustion engines to electric vehicles) and changing customer preferences. The growing importance of electric mobility will give rise to increased potential for the Schaeffler Group – a comprehensive provider of components, solutions, and systems – to improve its own position in the market for the long term and to generate sales.

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts, risks and identified opportunities.

● Impacts ● Risks ● Opportunities

- **Sales opportunities from solutions for renewable energy (Bearings & Industrial Solutions)**
  (Opportunities)

Time horizon:	☐ short-term	■ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	☐ own operations	■ downstream

Demand for renewable energy will continue to grow in the context of global climate change and due to the resulting climate policy. Developing and selling innovative components and solutions for wind turbines will generate additional market opportunities for the Schaeffler Group.

- **Sales opportunities from development and/or expansion of low-emission products and services (Bearings & Industrial Solutions)**
  (Opportunities)

Time horizon:	☐ short-term	■ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	☐ own operations	■ downstream

In view of an ever expanding population and the resulting rise in passenger and freight transport volumes, extensive capital expenditures are expected in the transport sector and on other industrial mobility applications in the future. Additionally, since many industrial sectors are experiencing increasing automation and longer life cycles of production machinery, energy efficiency and the reliability of operating processes will continue to gain importance. The Schaeffler Group addresses this trend with a broad product portfolio of rolling, plain, and high-precision bearings with reduced friction, electric motors, hydraulic systems, and industrial transmissions. In addition, the company offers solutions for preventive maintenance that extend machine uptime, reduce operating cost, and lower GHG emissions.

Resilience analysis [SBM-3]

As part of the risk identification process and taking into account the scenarios described in ESRS 2 IRO-1, the Schaeffler Group has also qualitatively assessed the resilience of its strategy and business model in relation to transition risks and physical risks associated with climate change. The resilience analysis follows an assumption-based approach that may include both aleatory and systematic uncertainties, such as uncertainties in the climate model.

As set out above, the company is faced with various climate-related transition risks such as growing and stricter regulatory requirements, reputation risks, and a changing market environment. The Schaeffler Group actively pursues protecting the environment and has set its own environmental targets and climate strategies with a clear sustainability strategy in order to proactively address these risks. For instance, climate and procurement strategies can reduce emissions within the company's own operations and in the upstream and downstream value chain as well as financial charges for GHG emissions. In addition, the Schaeffler Group considers itself well-positioned in the electric vehicle market through its own portfolio.

Further, the Schaeffler Group is exposed to the material physical risks set out herein. Various adaptation and mitigation actions have been taken to minimize material negative impacts of natural hazards (e.g., earthquakes and extreme weather events). The company is also insured against direct damage and interruption of operations.

As ESG risks are reported to the Schaeffler AG Board of Managing Directors as part of the group's risk management (see sections ESRS 2 GOV-1 and GOV-2), they are already reflected in the strategy and in decisions regarding planned or future climate change mitigation actions at top-management level. Additionally, the Schaeffler Group is pushing ahead with internal actions to educate workers on the topic of sustainability, including through the "Fit4Sustainability" development program (see section ESRS S1-4).

The Schaeffler Group firmly believes that the use of sustainable finance can help ease the transition to decarbonization of the economy and be instrumental in increasing transparency and engagement on sustainability matters.

As a result, the Schaeffler Group has sufficient resilience regarding the material transition risks and physical risks and can adapt its strategy and business model to climate change in the short, medium, and long term.

The Schaeffler Group has also set itself targets related to climate change that are relevant to remuneration. These are set out in section ESRS 2 GOV-3.

Transition plan for climate change mitigation [E1-1]

Due to the merger with acquired Vitesco Technologies Group AG, the Schaeffler Group has decided to revise the company's climate strategy and to set itself new climate targets. In December of 2025, the Schaeffler Group initiated the new validation process with the Science Based Targets initiative (SBTi) and issued the corresponding commitment to submit new climate targets. According to the SBTi's criteria, the new targets are intended to be consistent with the Paris Agreement's goal of limiting global warming to 1.5 °C (see section ESRS E1-4). Prior to the merger, both the Schaeffler Group and the Vitesco Technologies Group AG had their own SBTi-validated medium-term climate targets. However, the merger with Vitesco Technologies Group AG and the resulting significant change in reporting boundary have made it impossible to calculate a joint baseline value for the Schaeffler Group's previous GHG emission reduction targets.

The transition plan for climate change mitigation defines the following key decarbonization levers:

- In order to reduce its own GHG emissions (Scope 1 and Scope 2), the company specifically focuses on energy efficiency actions, the use of self-generated and purchased renewable energy, as well as the transition from fossil fuels to renewable energy sources and electrification (see section ESRS E1-3).
- With respect to reducing upstream GHG emissions (Scope 3 upstream), it especially aims to procure lower-emission materials – for instance, by more extensive use of renewable energy sources in the supply chain and by using secondary materials.

- Further decarbonization levers were identified in areas such as logistics and in connection with purchasing energy (see section ESRS E1-3).

Decarbonization levers and climate change mitigation actions will be further developed and refined in the revision of the climate strategy.

Additionally, the Schaeffler Group has assessed its key assets and products as well as planned capital expenditures with respect to GHG emissions they include in order to minimize the risk of lock-in effects (long-term dependencies on processes that inevitably result in GHG emissions). The current path toward achieving the climate targets already reflects this assessment of lock-in effects. To this end, the company's existing assets were deliberately included in the investigation of opportunities for decarbonization (e.g., energy efficiency actions for buildings and machinery). Possible new capital expenditures were reviewed against defined sustainability aspects as well. In accounting for emissions from the product use phase in accordance with the GHG Protocol, however, all emissions for the entire product life cycle were included at the time of sale. As a result, lock-in effects with respect to the Schaeffler Group's products do not play any significant role for the company.

The current transition plan for climate change mitigation serves to execute the climate strategy that is embedded in the sustainability strategy in the form of the "Driving Climate Action towards Net-Zero" action field. The transition plan was presented to and approved by the Schaeffler AG Board of Managing Directors as part of the 2023 Strategy Dialog, which also included linking it to the group strategy. It was also presented and explained to the Supervisory Board during the same period. Further, the current transition plan is part of the Schaeffler Group's execution program which, among other things, governs capital (CapEx) and operating expenditures (OpEx) for execution of the transition plan. Financial planning similarly reflects the transition plan to the extent financially possible. The financial plan was approved by the Board of Managing Directors and the Supervisory Board. The company's progress in implementing the transition plan is explained in further detail in sections ESRS E1-3, E1-4, E1-5, and E1-6.

The Schaeffler Group does not have any indication of being exempted from the Paris-aligned EU benchmarks.

Policies [E1-2]

The Schaeffler Group has implemented various policies and policy statements in order to address its material impacts, risks, and opportunities related to climate change. These include the **EnEHS Policy**, the **ESG Policy**, and the **Business Partner Code of Conduct**.

EnEHS Policy

In its EnEHS Policy, the Schaeffler Group has laid down its fundamental values and principles with respect to energy, environment, and health and safety topics. These values and principles are operationalized in the EnEHS management system in order to continuously improve the company's EnEHS performance by, for instance, using resources more sustainably, minimizing risks, and raising employee awareness. The Schaeffler Group is also committed to implementing the requirements of ISO 14001, ISO 45001, ISO 50001, and EMAS at relevant locations, focusing on plants and research and development centers.

The percentage of Schaeffler Group employees who are covered by these management systems as at December 31, 2025, was 91.4% (prior year: 92.2%) for ISO 14001, 91.3% (prior year: 92.2%) for ISO 45001, 89.9% (prior year: 92.0%) for ISO 50001, and 64.2% (prior year: 64.3%) for EMAS.

With respect to negative environmental impacts of own operations that have been identified as material, the Policy is aimed at reducing GHG emissions and replacing fossil fuels with renewable energy. Projects to manufacture products in the most energy-efficient and GHG-reduced manner possible as well as careful handling of chemicals, waste, and waste water are designed to avoid in advance harmful impacts on the environment at the Schaeffler Group's locations. Furthermore, resources should be used efficiently and sustainably. As the EnEHS Policy applies to the entire Schaeffler Group, it covers the company's own operations.

The EnEHS Policy was approved by the Schaeffler Group's Executive Board. The Chief Operating Officer is the most senior level accountable for its implementation.

Within the framework of the EnEHS Policy, the Schaeffler Group's EnEHS management system encompasses a systematic approach to identifying and analyzing stakeholder interests and implementing actions to meet these interests. Stakeholders considered in this process include, for example, authorities, employees, and customers. The EnEHS Policy has been published internally. A summary of the main contents of the Policy has been made publicly available on the Schaeffler Group's corporate website in the form of the EnEHS Policy Statement.

ESG Policy

The ESG Policy outlines the company's sustainability strategy and targets, their implementation, and the reduction of legal, financial, and entrepreneurial risks. With respect to climate change, the ESG Policy emphasizes the "Driving Climate Action towards Net-Zero" action field, including reducing and preventing emissions, and increasing energy efficiency. As the Policy applies to the entire Schaeffler Group, it covers the company's own operations.

The ESG Policy is reviewed annually as part of the strategy and planning process to ensure that current internal and external requirements are complied with. The ESG Policy was approved by the Schaeffler Group's Executive Board. The CEO represents the most senior level accountable for its implementation.

Aiming to promote and strengthen sustainable development worldwide, the Schaeffler Group closely aligns its business activities and business conduct with the following frameworks: the Paris Agreement on Climate Change, United Nations (UN) Sustainable Development Goals, the United Nations International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organization (ILO Declaration on Fundamental Principles and Rights at Work), and the OECD Guidelines for Multinational Enterprises. The Schaeffler Group is also a signatory to the UN Global Compact and is committed to its ten principles. Moreover, the company is committed to supplying external ESG rating organizations with information, to striving to improve their ratings, and to reporting externally, such as via the CDP platform (previously the Carbon Disclosure Project).

Customer-specific requirements are collected in a structured manner along the five action fields of the sustainability strategy and classified based on how critical they are to the business and their degree of fulfillment. Other stakeholders' requirements that are critical to the business are collected as well, including from ESG ratings. Especially requirements critical to the business are discussed with technical departments and initiative leads and taken into account as part of the basis for decisions on future target definitions. The ESG Policy has been published internally.

Business Partner Code of Conduct

The Schaeffler Group has committed to standards and minimum requirements for its own business conduct and expects its business partners to meet these as well. The Business Partner Code of Conduct describes these requirements, providing binding rules for conducting business relations with the Schaeffler Group (see section ESRS S2-1). With respect to the negative environmental impacts identified as material, this Code of Conduct requires the company's business partners to:

- develop and promote proactive approaches to environmental responsibility, apply environmental protection practices, conserve natural resources, and reduce the environmental footprint of their products, goods, and services,
- actively pursue protection of the climate, for example, by increasing their energy efficiency, using renewable energy, and reducing their greenhouse gas emissions, and
- disclose their carbon footprint or other sustainability information upon request.

Furthermore, the Schaeffler Group recommends that its business partners set targets for reducing emissions and switching to renewable energy that are science-based, defined in terms of time, and aligned with the Paris Agreement, and that business partners take actions to drive decarbonization of the value chain.

Actions [E1-3]

The Schaeffler Group has implemented various actions in order to address its material impacts as well as risks and opportunities associated with climate change. These are combined in the "Driving Climate Action towards Net-Zero" action field. The action field is part of the groupwide sustainability strategy. The most important actions of the Schaeffler Group are aimed at decarbonizing the value chain and the company's own business processes. The GHG reductions achieved through the actions are determined by comparing the amounts reported for 2025 to those for the base year or the prior year. Expected GHG reductions equal the difference between the result for 2025 and the relevant target.

Decarbonizing the value chain

The decarbonization actions in the Schaeffler Group's value chain relate to the upstream supply chain in particular.

The Schaeffler Group has decided to introduce a series of actions by the end of 2026 aimed at decarbonizing the supply chain:

- Increase in the percentage of purchasing volume from suppliers with at least 90% electricity from renewable energy sources
- Procurement of steel with a reduced product carbon footprint (PCF)
- Reduction in transport-related GHG emissions using biofuels
- Increase in the percentage of product development projects with PCF calculation and targets
- Secondary materials in materials used in manufacturing products

The Schaeffler Group has decided to increase the **percentage of purchasing volume from suppliers with at least 90% electricity from renewable energy sources**. This action contributes to the decarbonization lever of use of electricity from renewable energy sources in the supply chain. Electricity from renewable energy sources is defined in accordance with ESRS Annex II. Suppliers selected for this were mostly suppliers of physical products (e.g., steel, aluminum, plastic, electronics, and purchased components). Service suppliers were excluded from the population for this metric. Supporting documentation accepted includes a contract addendum in the form of a declaration of conformity, a written statement from the supplier, or publicly available and reliable information sources such as suppliers' relevant annual reports or sustainability statements. These have to include a clear reference to the use of electricity from renewable energy sources and their source. In addition, the supplier's legal entity must be evident from the documentation supporting that its deliveries were produced using renewable electricity. The Schaeffler Group currently does not require a mandatory external audit of the information sources to be provided by suppliers.

To ensure this action is effective, the company has set a target of procuring, by 2030, 70% of its purchasing volume from suppliers who use at least 90% electricity from renewable energy sources. This target value is based, firstly, on forecasts of availability of electricity from renewable energy sources in the supplier countries per the International Energy Agency (IEA) and, secondly, on known targets of the suppliers affected. The target value was defined and agreed across functions and approved by the Board of Managing Directors of Schaeffler AG. The percentage of purchasing volume from suppliers with at least 90% electricity from renewable energy sources was set to 0.0% for the 2024 base year. The reason for this is that documentation supporting use of electricity from renewable energy sources by the Schaeffler Group's direct suppliers was not yet available at that time and, hence, determining the percentage was not possible. In 2025, the amount was 14.3% of the purchasing volume considered.

The **procurement of steel with a reduced PCF** plays an especially important role in the Schaeffler Group's sustainability strategy because this material contributes heavily to GHG emissions. Using more sustainable hydrogen can make the steel production process largely emission-free in the long term. Therefore, the company has signed a take-off agreement with the Swedish start-up Stegra AB to procure hydrogen-produced steel with significantly reduced emissions beginning in 2027. The Schaeffler Group is also working closely with other steel suppliers to develop decarbonization strategies. In 2025, the Schaeffler Group purchased steel from lower-emissions sources – produced in electric arc furnaces, for instance – under its Scope 3 decarbonization program that result in savings of 30,535 t CO_2eq. The company plans to continue this action in the coming years as well. Additionally, the Schaeffler Group purchased emissions-reduced steel using 28,024 t CO_2eq in carbon dioxide (CO_2)-balanced measures that are not permitted to be counted toward gross GHG emissions and are therefore shown separately. Under this approach, emissions savings – compared to a benchmark year – in the supplier's value chain are tracked and documented. These savings are recorded internally by the supplier and allocated to certain materials that are sold as emissions-reduced products. This process is audited by a third party on behalf of the suppliers to minimize the risk of double counting. Emission reductions are calculated based on supplier PCF data. The calculation involves comparing the action-specific and emissions-reduced PCF to the previous higher-emissions supplier PCF as the benchmark and multiplying the difference by the physical amount actually purchased by the Schaeffler Group, measured in metric tons. Should a reference PCF not be available due to supplier-specific limitations, an appropriate benchmark is determined internally in consultation with Schaeffler Group materials experts in order to facilitate comparing it to the supplier's lower-emissions amount. Schaeffler Group materials experts also review supplier PCFs for reasonableness under a standardized internal process. To this end, along with the PCF amount, the supplier has to provide meaningful PCF documentation or another form of detailing as well as an environmental product declaration (EPD) or an audited third-party certificate. With respect to CO_2 balancing measures, the allocation method and verification of the underlying CO_2 calculation is reviewed by internal materials experts, similarly based on the PCF documentations or other forms of detailing and EPDs provided by suppliers as well as certificates from third parties engaged by the supplier that evidence an audit of the supplier's process for documenting and allocating savings. Additionally, the annual purchased emissions savings are reconciled to the actual purchasing volume and limited accordingly.

In 2025, the Schaeffler Group has conducted extensive **surveys** of suppliers for information on the topic of PCF and on use of electricity from renewable energy sources. Along with the survey, suppliers were offered **trainings** on both topics that are designed to raise suppliers' awareness of these topics and assist them with supplying data and decarbonizing. Additionally, since 2025, both the current percentage of electricity from renewable energy sources in the supplier's production and the material-specific PCF have been **required information in the procurement process** for projects above a certain amount of revenue and, therefore, part of the final procurement decision.

Additionally, voluntary target agreements are entered into with the aim of aligning suppliers with the Schaeffler Group's sustainability targets and expectations.

The Schaeffler Group deliberately converted transport logistics processes to the use of renewable energy in marine transport in 2025, an action aimed at **reducing transport emissions**. The priority here is on using mass-balanced biofuels that are certified under the International Sustainability and Carbon Certification (ISCC) EU standard. As at year-end, no such certificates were available yet, since the related audit processes on the part of the logistics providers are still ongoing. However, the company has already calculated the emissions savings realized of 809 t CO_2eq based on the logistics provider's shipment data.

To ensure these actions are effective, the company has set the overarching target of **achieving a GHG reduction of 400,000 t CO_2eq by verified actions in the supply chain (Scope 3 upstream) by the end of 2026** and **another 300,000 t CO_2eq by the end of 2027, resulting in a cumulative target value of 700,000 t CO_2eq by the end of 2027**. The baseline value is set at the time the target is adopted and is 0 t CO_2eq. The company is currently working on developing stable methods for determining the target achievement rate.

The Schaeffler Group additionally plans to generate decarbonization effects in product development. Therefore, the **percentage of product development projects with PCF calculation and targets** has been tracked starting in 2025. The Schaeffler Group has a target of increasing this percentage **to 95% by 2030**. It amounted to 0.0% in 2025 which serves as the baseline value. This represents the percentage of all of the Schaeffler Group's product development projects that are ongoing at the cut-off date for which an internal or external PCF target has been set and the associated PCF calculation (cradle to gate) has been performed and tracked.

Furthermore, the Schaeffler Group has introduced a target on **secondary materials for materials used in manufacturing products** that is associated with resource use and circular economy and contributes to decarbonization (see sections ESRS E5-3).

The Schaeffler Group has not taken any actions dedicated to decarbonizing the downstream value chain in 2025. Decarbonization impacts in the downstream value chain – for instance by vehicle electrification – are currently not calculated.

Decarbonizing own operations

The Schaeffler Group executes the following actions to decarbonize its own operations:

- Execution of verified actions to reduce energy consumption
- Execution of verified technical actions to reduce Scope 1 GHG emissions
- Use of energy from renewable sources with a direct line
- Purchased electricity from renewable energy sources

The Schaeffler Group has been executing actions aimed at saving energy under an **energy efficiency program** since 2020. One of the energy efficiency actions implemented in 2025 to be highlighted is the heat treatment technology field; here, the company realized, for instance, fully automated covers on salt baths, a reduced working temperature in energy-intensive cleaning processes using adapted cleaning agents, and entire process optimizations, such as in atmospheric gassing. In building infrastructure, the company additionally implemented several large heat pumps that allow for efficient heating. For the energy efficiency program, the Schaeffler Group has set a target of implementing externally verified energy efficiency actions **between 2025 and 2030** that correspond to a cumulative savings potential totaling **150 GWh/a**. The baseline value is set at the time the target is adopted during the year and amounts to 0 GWh. During the year, the company implemented externally verified actions with potential savings of 46.56 GWh/a. This energy savings potential is determined by comparing the energy quantity before and after the action using a defined baseline value, usually prior year consumption.

The Schaeffler Group deliberately executes technical **actions to reduce Scope 1 GHG emissions**.[1] To this end, it relies on the "use of electricity from renewable energy sources" decarbonization lever, among other things. To increase the use of energy from renewable energy sources, the Schaeffler Group has developed specific actions for all fossil fuel-driven production and infrastructure facilities captured in its energy management system, such as replacing natural gas with electricity for heating hardening furnaces. The Schaeffler Group has compiled all of these actions in a global action plan for the years up to 2030. In the next step, the company plans to derive and define from this action plan the divisions', regions', and plants' contribution to GHG reduction. For instance, large industrial heat pumps that significantly reduce the consumption of natural gas needed to heat buildings were commissioned at the Kysucke (Slovakia) and Homburg (Germany) locations under this plan in 2025. These two major projects are expected to save more than 1,500 t CO_2eq annually starting in 2025. In the coming years, the Schaeffler Group plans to continue to consistently implement and optimize this action plan. The Schaeffler Group has set a target of implementing externally verified actions between 2025 and 2030 that result in a cumulative savings potential of 90,000 t CO_2eq in Scope 1. The baseline value is set at the time the target is adopted and is 0 t CO_2eq. The value for 2025 was 8.99 thousand t CO_2eq. GHG emissions savings are calculated by comparing energy consumption before and after the actions, multiplied by the relevant emission factors. Potential savings are always calculated in comparison to a defined baseline value, usually prior year consumption.

[1] An LTB target related to these metrics was set in 2025 as described in section ESRS 2 GOV-3.

Furthermore, the Schaeffler Group aims to increase the **installed capacity for energy generation from renewable sources with a direct line**. This comprises facilities that are connected directly to the locations' grid. The term "installed capacity" refers to total installed peak capacity – in megawatts peak (MWp), the unit of measure used for maximum output under ideal conditions. Acceptance protocols or plant certificates serve as supporting documentation. The action supports the "use of electricity from renewable energy sources" decarbonization lever. The Schaeffler Group plans to install a total capacity of **140 MWp by 2030** with 2024 serving as the base year with a baseline value of 57 MWp. This value comprises total capacity in place by the end of 2024 regardless of whether they were installed in 2024 or before. The value for 2025 was 85 MWp. The actions are verified internally and in part externally certified. The target of covering 10% of the electricity demand worldwide by self-generated renewable energy by 2025 that was reported until 2023 has been replaced with the above target. This change was made to improve the measurability and predictability of the target.

Since 2024, the Schaeffler Group has been meeting 100% of its demand for purchased electricity from renewable energy at all locations with annual electricity consumption of more than 150 MWh. This represents 99.8% (prior year: 99.8%) of the Schaeffler Group's total **external electricity purchases**. Purchasing electricity from renewable sources represents a key action to decarbonize the company's own operations in 2025. This action facilitated savings of 1,034,922 t CO_2eq (prior year: 849,483 t CO_2eq). The company plans to continue this action in the coming years as well.

In 2025, the Schaeffler Group made capital expenditures and provided funding in the low double-digit million range under its **"Sustainability & Infrastructure"** subprogram to implement actions. Disclosures of capital (CapEx) and operating expenditures (OpEx) are only provided for clearly defined amounts directly contributing to achieving ESG targets. Capital expenditures or operating expenditures related to other business activities as well are not included. The company plans to make a similar level of capital expenditures in 2026. These amounts cannot be reconciled directly to the disclosures under the Taxonomy Regulation since the relevant activities are either not covered by defined economic activities or are not presented in 2025 for reasons of materiality.

Actions related to physical risks

The exposure to natural hazards is assessed at group level for the Schaeffler Group's own locations, supply chains, and suppliers. The risk of damage from natural hazards at the company's own locations is addressed by implementing construction, technical, and organizational actions that take into account local circumstances based on a local risk assessment and action plan.

The Schaeffler Group's locations have to comply with local and regional building regulations which generally take into account resilience to natural hazards. New construction, expansion of locations, and renovation is performed with increased resilience to natural hazards where necessary, such as by using vibration-resistant construction methods against earthquakes. These construction features serve to effectively prevent failure of the building structure. Additionally, factors such as exposure to natural hazards are considered during site selection.

Moreover, resilience to **physical risks** is strengthened by targeted protection of critical structures and facilities by technical measures such as automatic shut-off devices for critical processes or detection and alarm systems.

Organizational actions are defined at the global level in regulations on loss prevention and precautions, on emergency and crisis management, and on business continuity management. Locally, a coordinator for natural hazards is appointed who, along with implementing actions, is also responsible for continually monitoring the weather and official hazard and warning notifications, as well as for training employees specifically on natural hazards and raising their awareness of them. Additionally, the company is insured against property damage caused by natural hazards.

Targets [E1-4]

In the past, the Schaeffler Group had reported on two GHG emission reduction targets validated by the SBTi: reducing GHG emissions in the supply chain (Scope 3) by 25% by 2030 compared to 2019 and reducing GHG emissions in its own production (Scope 1 and Scope 2) by 90% by 2030 compared to 2019 [1]. Recalculating a joint baseline value for 2019 (Scope 1, Scope 2, and Scope 3) is not possible due to the merger with Vitesco Technologies Group AG and the resulting significant change in reporting boundary for these targets. For the same reason, the current target achievement rate cannot be determined either. Therefore, the Schaeffler Group has decided to revise its climate strategy. This affects the climate neutrality targets [2] published previously and especially the GHG emission reduction targets to

[1] The percentage of the remuneration recognized in the current period that is related to these metrics is described in section ESRS 2 GOV-3.
[2] "Climate-neutral production by 2030" and "Climate-neutral supply chain by 2040"

be newly validated by the SBTi. In December of 2025, the Schaeffler Group initiated the new validation process with the SBTi and issued the relevant commitment. It plans to complete the process of defining new, mandatory science-based GHG emission reduction targets in 2026. The company expects to submit to the SBTi the new GHG emission reduction targets based on the first fully integrated GHG emissions for 2025 (see section ESRS E1-6) in 2026. Based on the information available, the Schaeffler Group assumes that the new GHG emission reduction targets will be consistent with the requirements of the Paris Agreement when they are set.

To date, the Schaeffler Group has not defined any net-zero targets or a target for the downstream value chain (Scope 3 downstream).

Metrics

Energy consumption and energy mix [E1-5]

The metrics with respect to energy, water, and waste are generally captured based on primary data (e.g., invoices, meter readings) and are stored in central databases. For locations, real estate, or legal entities that are not covered by primary data capturing due to their limited size in terms of number of employees, area, or their influence, an estimation methodology is applied at the corporate level. Estimates are arrived at based on internally determined consumption data of comparable locations. This data is calculated using either the relevant number of employees or the area. This estimation methodology harbors the risk that the assumptions do not fully reflect reality, which can result in deviations.

Measuring methodologies and measurements are validated by various external and internal audits to ensure accuracy and quality. Specific examples of audits performed are EMAS audits and/or ISO audits.

Energy consumption and energy mix

	Unit	2025	2024
Total energy consumption	**MWh**	**3,659,606**	**3,341,023**
Total fossil energy consumption	MWh	937,382	888,299
Share of fossil sources in total energy consumption	%	25.6	26.6
• Fuel consumption from coal and coal products	MWh	0	0
• Fuel consumption from crude oil and petroleum products	MWh	84,423	92,086
• Fuel consumption from natural gas	MWh	694,400	634,263
• Fuel consumption from other fossil sources	MWh	142,992	138,103
• Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	15,567	23,847
Consumption from nuclear sources	MWh	527	63
Share of consumption from nuclear sources in total energy consumption	%	0.0	0.0
Total renewable energy consumption	MWh	2,721,697	2,452,661
Share of renewable sources in total energy consumption	%	74.4	73.4
• Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	843	9,649
• Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	2,691,792	2,424,063
• Consumption of self-generated non-fuel renewable energy	MWh	29,061	18,948
Energy intensity (total energy consumption per net revenue)	**MWh/ € m**	**155.8**	**183.7**

Since the Schaeffler Group as a whole is part of high climate impact sector C “Manufacturing” under the NACE codes, energy intensity is calculated based on total energy consumption and the total revenue line in the consolidated income statement for 2025.

Metrics on greenhouse gas emissions [E1-6]

Greenhouse gas emissions (GHG emissions)

	Base year (2019) [1]	2024	2025	% 2025/ 2024	2030	2050	Annual % of target/ base year
Total GHG emissions							
Total gross GHG emissions (location-based) (t CO_2eq)	n. a.	11,434,114	14,342,975	25.4%	n. a.	n. a.	n. a.
Total gross GHG emissions (market-based) (t CO_2eq)	n. a.	10,540,049	13,311,305	26.3%	n. a.	n. a.	n. a.
Total net GHG emissions (market-based) (t CO_2eq) [2]	n. a.	10,540,049	13,282,472	n. a.	n. a.	n. a.	n. a.
Gross GHG emissions, Scope 1 and 2 (market-based) (t CO_2eq) [3]	n. a.	198,468	215,070	8.4%	-90%	n. a.	n. a.
Gross GHG emissions, Scope 3.1, 3.3, 3.4 (t CO_2eq) [3]	n. a.	7,532,816	9,334,225	23.9%	-25%	n. a.	n. a.
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (t CO_2eq)	n. a.	194,982	209,492	7.4%	n. a.	n. a.	n. a.
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (in %)	n. a.	1.6	1.6	0.0%	n. a.	n. a.	n. a.
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (t CO_2eq)	n. a.	897,551	1,037,248	15.6%	n. a.	n. a.	n. a.
Gross market-based Scope 2 GHG emissions (t CO_2eq)	n. a.	3,486	5,578	60.0%	n. a.	n. a.	n. a.
Significant Scope 3 GHG emissions							
Total gross indirect (Scope 3) GHG emissions (t CO_2eq)	n. a.	10,341,581	13,096,235	26.6%	n. a.	n. a.	n. a.
3.1 Purchased goods and services (t CO_2eq)	n. a.	6,941,958	8,654,873	24.7%	n. a.	n. a.	n. a.
3.2 Capital goods (t CO_2eq)	n. a.	285,997	302,609	5.8%	n. a.	n. a.	n. a.
3.3 Fuel and energy-related activities (not included in Scope 1 or Scope 2) (t CO_2eq)	n. a.	262,410	294,810	12.3%	n. a.	n. a.	n. a.
3.4 Upstream transportation and distribution (t CO_2eq)	n. a.	328,448	384,542	17.1%	n. a.	n. a.	n. a.
3.5 Waste generated in operations (t CO_2eq)	n. a.	n. a.	20,634	n. a.	n. a.	n. a.	n. a.
3.6 Business travel (t CO_2eq)	n. a.	n. a.	17,562	n. a.	n. a.	n. a.	n. a.
3.10 Processing of sold products (t CO_2eq)	n. a.	525,655	495,508	-5.7%	n. a.	n. a.	n. a.
3.11 Use of sold products (t CO_2eq)	n. a.	1,997,113	2,925,697	46.5%	n. a.	n. a.	n. a.

1) The merger with Vitesco Technologies Group AG has made it impossible to recalculate the baseline value for the Schaeffler Group's previous climate targets.
2) Includes emissions reductions from measures associated with purchased products and services that are not permitted to be counted toward gross GHG emissions. This amount is calculated as total gross GHG emissions (market-based) net of the savings from CO_2- and mass-balanced measures set out in the section on decarbonizing the value chain.
3) Please refer to section E1-4 for further information on the GHG emission reduction targets. In the prior year report, these amounts did not include the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the merger.

The Schaeffler Group calculates and reports GHG emissions based on the Corporate Accounting and Reporting Standard 2004 and in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard 2011 of the GHG Protocol Initiative. The company reports all direct GHG emissions resulting from its own emissions sources (Scope 1), indirect GHG emissions resulting from the generation of purchased electricity and district heating (Scope 2), and the relevant GHG emissions resulting from the upstream and downstream value chain (Scope 3).

Using an assessment model it has developed, the Schaeffler Group performs a significance assessment that is updated annually to assess the Scope 3 categories significant to the company. The assessment model determines an indicator for each Scope 3 category based on various weighted factors such as emissions level and ability to directly influence emissions reduction. The assessment model defines a limit beyond which a Scope 3 category is classified as relevant. Eight Scope 3 categories were identified as relevant for 2025 and are reported on in accordance with the requirements of the GHG Protocol Initiative. Another seven Scope 3 categories not reported on remained below the defined limit and, representing less than 5% of total Scope 3 GHG emissions, were classified as not significant.

All activities relevant under ESRS were considered in determining GHG emissions. Emission factors applied in calculating Scope 1, Scope 2, and Scope 3 GHG emissions comprise the greenhouse gases CO_2, methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). The emission factors used in the calculation are the values available at the time of preparation of the sustainability statement that, depending on the data source, are based on global warming potential values from various assessment reports by the IPCC.

The level of accuracy of GHG emissions is determined based on the representativeness of activity data with respect to technology, time, geography, completeness, and reliability. Activity data is normally based on location- and technology-specific measurements taken during the year. Estimates are used to a small extent. Calculated GHG emissions (Scope 1, Scope 2, and Scope 3) were assigned a data quality score of "good" using an internal assessment based on the GHG Protocol.

Scope 1 GHG emissions comprise emissions from combustion of fuels in stationary and mobile processes, as well as emissions from physical or chemical processes, and fugitive emissions. Scope 1 GHG emissions resulting from combustion of fuels are calculated by multiplying fuel-specific consumption data by the relevant emission factors published by the British Department for Environment, Food & Rural Affairs (DEFRA) (2024). Fugitive emissions were converted using global warming potential values provided by DEFRA (2024). When calculating the percentage of Scope 1 GHG emissions from regulated emission trading schemes, the Schaeffler Group includes GHG emissions from all locations affected and divides them by total Scope 1 GHG emissions. The GHG emissions of the locations affected are calculated based on the calculation methods applied in this report.

Scope 2 GHG emissions are calculated based on the GHG Protocol Scope 2 Guidance. They comprise indirect emissions resulting from using purchased electricity and heat, steam, and cooling in all activities under the Schaeffler Group's financial and operational control in accordance with ESRS. Scope 2 GHG emissions are calculated by multiplying energy-specific consumption data by the corresponding emission factors. In its calculation of location-based GHG emissions, the Schaeffler Group uses the DEFRA (2024) and IEA (2024) emission factors. In its calculation of market-based GHG emissions, the Schaeffler Group additionally uses contract-based emission factors and a factor of zero for renewable electricity.

Scope 3 GHG emissions are calculated based on the GHG Protocol Scope 3 Calculation Guidance. The GHG emissions of **Scope 3.1 "Purchased goods and services"** and of **Scope 3.2 "Capital goods"** include all upstream (cradle-to-gate) emissions resulting from the production of goods and services purchased or acquired by the Schaeffler Group during the year. An external service provider calculates Scope 3.1 and Scope 3.2 GHG emissions by multiplying the physical or monetary volume of purchased goods and services by the relevant sector- and country-specific emission factors using the Ecoinvent (3.11) and Exiobase (3.10.1) databases. For certain groups of materials in Scope 3.1, the Schaeffler Group calculated weight-based emission factors with an external service provider using the LCA for Experts (GaBi) software with data version CUP2025.2. New software to calculate Scope 3.1 and 3.2 GHG emissions was introduced in 2025. The change in methodology mainly consists of the fact that Scope 3.1 GHG emissions of production materials are now calculated at the level of individual purchased articles and no longer at the level of aggregated groups of goods. Additionally, emissions were calculated on a physical basis to a larger extent and less on a monetary basis. Both of these resulted in the ability to select emission factors more accurately (than in prior years). Further, where available, hybrid and supplier-specific data was considered in Scope 3.1 for the first time. Due to the impact of these changes, the Schaeffler Group has also recalculated the GHG emissions in Scope 3.1 retrospectively for 2024. The deviation in Scope 3.1 amounts due to the change in software provider was reviewed internally for reasonableness and assessed as plausible, taking into account the above change in methodology. The recalculation did not result in any significant change in GHG emissions from Scope 3.1 reported for 2024. The GHG emissions from Scope 3.2 reported for 2024 were recalculated in connection with this as well, reducing them from 398,382 t CO_2eq to 285,997 t CO_2eq. Physical purchasing volumes that are unavailable continue to be substituted with the monetary purchasing volume for purposes of the calculation. Emissions of legal entities not reflected in the central ERP system (enterprise resource planning) were estimated based on the results of a manual survey performed in 2024.

Scope 3.3 "Fuel- and energy-related activities" covers GHG emissions generated in connection with the production of fuels and energy that are purchased and consumed by the Schaeffler Group during the year and are not yet included in Scope 1 or Scope 2. This includes the extraction, production, and transport of fuels used by the company either directly or indirectly through the generation of electricity, steam, heating, and cooling, as well as transmission and distribution losses. Scope 3.3 GHG emissions are calculated by multiplying fuel- and energy-specific consumption data by the relevant DEFRA (2024) and IEA (2024) emission factors.

Scope 3.4 "Upstream transportation and distribution" comprise emissions released due to transport and distribution of products purchased during the year between the Schaeffler Group's direct suppliers (Tier 1) and its locations using vehicles that the Schaeffler Group does not own or operate. This also covers the transport and distribution services purchased by the company during the year, including inbound and outbound logistics as well as transport and distribution between internal locations using vehicles that the Schaeffler Group does not own or operate. Emissions associated with third-party operation of storage and transshipment facilities are included as well. Scope 3.4 GHG emissions for transport services are calculated by determining the mass, distance, and modes of transports and applying the corresponding specific emission factors. Emissions associated with the operation of third-party warehouses are calculated and added on the basis of a "spend-based approach". The calculation method for Scope 3.4 has changed from 2024. The calculation now follows the Scope 3.1 calculation method based on the monetary volume of services purchased. The Schaeffler Group has also harmonized the calculation of transport-related GHG emissions. Therefore, the Schaeffler Group has retrospectively recalculated the amounts of GHG emissions for 2024. The

recalculation resulted in a reduction in GHG emissions from Scope 3.4 reported for 2024 from 414,234 t CO_2eq to 328,448 t CO_2eq.

GHG emissions resulting from **Scope 3.5 "Waste generated in operations"** are calculated by multiplying waste generated by specific DEFRA (2024) emission factors. The calculation reflects the various waste treatments in accordance with the relevant waste codes. The data on waste generation are determined as described in section ESRS E5-5.

GHG emissions resulting from **Scope 3.6 "Business travel"** are calculated by multiplying travel expenses per category by specific EPA (2022) emission factors. These emission factors in dollars are converted to euros via an exchange rate and adjusted for inflation to ensure consistent measurement across reporting periods. Travel expense data is based on employees' expense reports. This approach covers the majority of the legal entities within the group. GHG emissions for missing entities are estimated by multiplying the number of employees with a calculated emission factor per person that is based on known GHG emissions and employees covered.

Scope 3.10 "Processing of sold products" GHG emissions are calculated by multiplying revenue from customers by specific emissions intensity factors obtained from sustainability ratings and sustainability statements. For revenue from customers for which specific emissions intensities are not available, the Schaeffler Group uses weighted-average emissions intensities. The calculation method was improved in 2025. The improvement in method did not significantly affect the GHG emissions reported for 2024.

Scope 3.11 "Use of sold products" GHG emissions of the direct use phase are calculated by multiplying the relative weight of Schaeffler products in end products – taking into account end product-specific metrics such as lifetime or consumption data – by specific IEA (2024) or DEFRA (2024) emission factors. The Schaeffler Group has improved its calculation method for GHG emissions resulting from Scope 3.11 in 2025. In particular, classification of the company's products and their useful life were reassessed. Therefore, the Schaeffler Group has recalculated these GHG emissions for 2024 as well. The recalculation resulted in a reduction in GHG emissions from Scope 3.11 reported for 2024 from 5,348,291 t CO_2eq to 1,997,113 t CO_2eq.

Total gross GHG emissions refers to the sum of Scope 1, Scope 2, as well as Scopes 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.10, and 3.11 emissions. The gross GHG emissions relevant to the previous GHG emission reduction target "Reduction of GHG emissions in own operations (Scope 1 and Scope 2, market-based)" are the total of the market-based Scope 1 and 2 GHG emissions. The gross GHG emissions relevant to the previous GHG emission reduction target "Reduction of GHG emissions in the supply chain (Scope 3 upstream)" are the total of the emissions that occurred in the categories included in the Scope 3 target. Net GHG emissions represent total gross GHG emissions less allowable measures (see section ESRS E1-3).

The Schaeffler Group's **GHG intensity** under the location- and the market-based methods is calculated as the total of Scope 1, Scope 2, and Scope 3 divided by the "revenue" line in the consolidated income statement. The location-based GHG intensity for 2025 amounts to 0.61 t CO_2eq/EUR thousands and the market-based one to 0.57 t CO_2eq/EUR thousands. Due to the recalculations in Scope 1, Scope 2, and Scope 3, the Schaeffler Group has retrospectively adjusted the GHG intensity for 2024 as well. As a result, the location-based GHG intensity for 2024 was reduced from 0.82 to 0.63 t CO_2eq/EUR thousands and the market-based one from 0.77 to 0.58 t CO_2eq/EUR thousands.

The percentage of Scope 3 GHG emissions for which **primary data** was available amounts to 80.5%. This percentage was calculated by dividing those Scope 3 GHG emissions that were determined using primary data by total Scope 3 GHG emissions. The Schaeffler Group classifies data as primary if the calculation uses either a PCF calculated by the supplier or if it uses activity data such as invoice amounts or weights that are directly or indirectly determined by suppliers or partners in the value chain. Due to the recalculations in Scope 3, the Schaeffler Group has recalculated the percentage of primary data reported for 2024, increasing it from 57.0% to 76.8%.

Under the GHG Protocol, carbon dioxide emissions from the combustion of biomass are net zero for Scope 1 emissions since the amount of carbon released during combustion released during combustion is absorbed by biomass regrowing. To ensure complete reporting, these **biogenic emissions** are reported separately from Scope 1, Scope 2, and Scope 3 emissions as recommended by the GHG Protocol. Direct biogenic Scope -1 and Scope -2 GHG emissions are calculated by multiplying activity data on biogenic origin by specific DEFRA (2024), IEA (2024), and German Association of the Automotive Industry (VDA) (2024) emission factors. Biogenic Scope 3 GHG emissions are calculated by multiplying total Scope 3 GHG emissions by the ratio of direct biogenic Scope 1 and Scope 2 GHG emissions to total location-based Scope 1 and Scope 2 GHG emissions. Biogenic

GHG emissions associated with Scope 1 activity data amounted to 1,369 t CO_2eq (prior year: 3,342 t CO_2eq) and those associated with Scope 2 activity data to 119,592 t CO_2eq (prior year: 108,802 t CO_2eq). Biogenic GHG emissions associated with Scope 3 categories are estimated based on the biogenic emissions for Scope 1 and Scope 2 and amounted to 1,270,621 t CO_2eq (prior year: 1,061,521 t CO_2eq).

The share of contractual instruments used to cover the population of purchased or acquired energy [1] amounted to 97.4% (prior year: 94.1%). The company distinguishes between the following types of contractual instruments:

- Energy attribute certificates (EACs) that may be purchased bundled or unbundled. EACs purchased unbundled refer to contracts under which energy and EACs are purchased separately from different sources. Bundled EACs purchased refer to power purchase agreements (PPAs) under which energy is purchased bundled with EACs from a single source.
- Supplier-specific emissions factor, mainly comprising green electricity plans offered by energy suppliers.
- Green electricity contracts for which EACs are not applicable or not necessary; for the Schaeffler Group, these comprise supply from third-party facilities that are connected directly to the power grid of the relevant location.

Contractual instruments

in %	2025	2024
Unbundled EACs	86.8	84.6
Bundled EACs	4.0	3.1
Supplier-specific emission factor	5.1	5.7
Green electricity contracts for which EACs are not applicable or not necessary	1.5	0.7

Amounts for facilities directly connected to locations are based on measurements. All other amounts were determined based on supplier data, invoices, and contracts.

[1] Represents the total of consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources and consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources as set out in the Energy consumption and energy mix table on pp. 70.

Pollution [ESRS E2]

Impacts, risks, and opportunities (IROs) [SBM-3]

Material impacts and material risks to the Schaeffler Group related to pollution were identified along the value chain in the materiality assessment. These are set out in the following overview. [1] No material impacts related to the company's own operations were identified.

Impacts and risks associated with pollution

POLLUTION OF AIR

● **Pollution of air through processes and products**
(Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

Actual negative impacts on the quality of air and health of people arise due to particles, toxic vapors, dust, and gas emissions released during extraction and processing of raw materials and production of intermediate products and components in the upstream value chain.

In the downstream value chain, actual negative impacts on the quality of air and health of people primarily result from the use phase of powertrains in vehicles with internal combustion engines and transport processes, during which large quantities of harmful nitrogen oxides and particulate matter are produced.

In addition, the Schaeffler Group's Bearings & Industrial Solutions division serves customers in the raw materials extraction sector whose activities in the downstream value chain are also associated with significant air pollution.

POLLUTION OF WATER, SOIL, LIVING ORGANISMS, AND FOOD RESOURCES

● **Pollution through raw material extraction processes**
(Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

Actual negative impacts on the environment and people arise from the use of chemicals and generation of large quantities of waste products during extraction and processing of raw materials in the upstream value chain.

Especially toxic substances such as arsenic, lead, and bauxite released in mining activities often pollute water, soil, living organisms, and food resources of surrounding communities.

In addition, the Schaeffler Group's Bearings & Industrial Solutions division serves customers in the raw materials extraction sector whose activities in the downstream value chain are associated with negative impacts for the same reasons.

Actual negative impacts were identified at suppliers' who did not comply with environmental standards, representing a significant risk of contamination of soil and groundwater.

SUBSTANCES OF (VERY HIGH) CONCERN AND PFAS

● **Use of substances of (very high) concern and PFAS**
(Actual and potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

Substances of concern and substances of very high concern

There are actual negative impacts on the environment and people arising from the use of substances of concern and substances of very high concern during extraction and processing of raw materials in the upstream value chain. These substances are often released in mining activities, subsequently accumulate in the environment, and may thus harm people and surrounding communities.

In addition, the Schaeffler Group's Bearings & Industrial Solutions division serves customers in the raw materials extraction sector. Their activities in the downstream value chain are associated with negative impacts for the above reasons as well. [2]

Along with these extraction-related impacts, there are also potential negative impacts on the environment and people which can arise from potential mishandling of these substances or accidents during production of intermediate products in the upstream value chain.

PFAS

Per- and polyfluoroalkyl substances (PFAS) are synthesized in the upstream value chain for production of supplies and intermediate products and components, such as membranes and sealings; they are later used by the Schaeffler Group.

As part of these processes, improper handling and/or accidents can occur that can negatively impact the environment and people as well as communities.

● **General ban on PFAS (EU ban proposal)**
(Risks)

Time horizon:	☐ short-term	■ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

PFAS are used along the value chain of the Schaeffler Group and are currently indispensable for certain automotive industry products and components. As PFAS can have negative impacts on the health of people and the environment, the EU is considering banning these substances.

The as yet unresolved legal situation related to the EU PFAS ban proposal may give rise to a risk that could have a negative impact on the Schaeffler Group's business.

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts and risks.
[2] Since this is not a taxonomy-relevant activity, this does not have any effect on the results of the DNSH Appendix C assessment.

● Impacts ● Risks ● Opportunities

Policies [E2-1]

In its **Business Partner Code of Conduct**, the Schaeffler Group has implemented a fundamental document to address material negative impacts related to pollution and substances of concern of its business partners. The material risk related to a potential PFAS ban by the EU is continuously reviewed to facilitate the necessary adjustments to the relevant fundamental documents when the legal situation is resolved.

Business Partner Code of Conduct

The Schaeffler Group has committed to standards and minimum requirements for its own business conduct and expects its business partners to meet these as well. The Business Partner Code of Conduct describes these requirements, providing binding rules for conducting business relations with the Schaeffler Group (see section ESRS S2-1).

These include systematically monitoring, disclosing, controlling, minimizing, and – to the extent possible – eliminating emissions contributing to water, air, soil, and noise pollution. Additionally, business partners are required to identify, minimize, and replace restricted substances in their production processes. Chemicals and substances of concern are to be labeled and business partners have to ensure their safe handling, storage, recycling, and disposal.

Further, criteria and relevant regulatory frameworks for both supplier selection and orders are outlined in the Schaeffler Group's "Prohibited and declarable substances" standard, which is regularly updated and provided to suppliers. Prohibited substances in a concentration exceeding the specified limit must not be contained in products purchased by the Schaeffler Group or be produced or released during subsequent use. This can include, for instance, acutely toxic substances, flammable substances with H phrases, explosive substances with H phrases, and radioactive substances. Declarable substances have to be declared in accordance with the requirements of the standard if their concentration exceeds the applicable limit.

Actions [E2-2]

The annual abstract risk analysis covers the aspects of "environmental regulation" and "pollution" in accordance with the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG). Using a risk-based approach, direct suppliers are then requested to obtain certification under ISO 14001/EMAS.

Beyond that, the Schaeffler Group has not yet implemented any other specific actions related to the pollution-related impacts and risks identified as material. The reasons for this include the lack of data on pollution in the value chain and the unresolved legal situation with respect to PFAS. The company's pollution-related activities have thus far focused on minimizing the impacts related to its own operations. The Business Partner Code of Conduct raises initial awareness of the material pollution-related impacts in the upstream value chain.

Targets [E2-3]

The Schaeffler Group has not yet set any strategic targets related to the impacts and risks in the upstream and/or downstream value chain that were identified as material. This is due to the lack of sufficient data referred to in the Actions section, among other things.

The company performed tests of its suppliers on a sample basis for the first time to assess the effectiveness of the Business Partner Code of Conduct. The qualitative responses from suppliers show that the requirements of the Business Partner Code of Conduct and the expectations with respect to protecting human rights and environmental matters are being understood. Therefore, the Business Partner Code of Conduct is largely viewed as an effective action for respecting human rights and mitigating relevant risks in the supply chain. Beyond this, no other effectiveness reviews with a view to strategic targets were performed during the year with a specific focus on pollution.

Metrics [E2-4/E2-5]

Furthermore, the company does not collect any metrics for the upstream and/or downstream value chain.

Water and marine resources [ESRS E3]

Impacts, risks, and opportunities (IROs) [SBM-3]

Material impacts and material risks to the Schaeffler Group related to water were identified in the company's own operations as well as in the upstream and downstream value chain in the materiality assessment. These are set out in the following overview. [1]

Impacts and risks associated with water

WATER

● **Large freshwater withdrawals through own operations**
(Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

Actual negative impacts on water status arise from large freshwater withdrawals at the Schaeffler Group's locations, primarily as cooling water for industrial applications such as steel processing and for sanitary purposes. This harbors risks for local ecosystems and surrounding communities, especially in regions with water scarcity.

● **Large water withdrawals and discharges in the value chain**
(Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

Actual negative impacts on water status arise from large water withdrawals and discharges in the upstream value chain resulting from water-intensive processes in raw material extraction and processing, such as mineral washing, and from production of intermediate products, such as electronics manufacturing.

Water withdrawals and discharges negatively impact local ecosystems and surrounding communities, particularly in regions with water scarcity.

In addition, the Schaeffler Group's Bearings & Industrial Solutions division serves customers in the downstream value chain in the raw materials extraction sector whose activities are associated with negative impacts for the same reasons.

● **Limited availability of water for own business processes and supply chain vulnerability to water scarcity in certain regions**
(Physical risks)

Time horizon:	☐ short-term	☐ medium-term	■ long-term
Stage of the value chain:	■ upstream	■ own operations	☐ downstream

Schaeffler Group locations in regions with water scarcity may experience production losses, increased operating costs, and reputational damage due to limited water resources. Water scarcity and resulting restrictions on the water supply to production, R&D, and office locations could lead to bottlenecks, disrupt operations, and drive up the cost of alternative water supply solutions. This could ultimately impact the company's financial performance and increase the risk of a negative impact on the company's image.

Moreover, interruptions in the upstream value chain may occur in regions with high water scarcity and have a negative impact on the company. The uncertainty regarding the availability of water in these regions could lead to shortages of important raw materials or components, which could lead to delays or stops in production. This could in turn lead to lost revenue, additional costs of looking for alternative suppliers, and a potential loss of market share.

● **Growing stakeholder demands for closed-loop water circulation systems**
(Transition risks)

Time horizon:	☐ short-term	■ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	☐ own operations	■ downstream

Increasing demands by stakeholders for more sustainable use of water, especially closed-loop water circulation systems, represent a risk for the Schaeffler Group. Meeting these demands requires investing more in new technological solutions, which increases operating costs. Failure to meet these demands could lead to loss of revenue and loss of reputation, which negatively affect the company's market position.

Policies [E3-1]

The Schaeffler Group has implemented various policies and policy statements in order to address its material impacts and risks related to water resources. These include the **EnEHS Policy**, the **ESG Policy**, and the **Business Partner Code of Conduct**.

The Schaeffler Group's locations use water primarily for sanitation, cooling, and industrial applications. Water-related topics are not applicable to the design of the Schaeffler Group's products and services.

EnEHS Policy

In its EnEHS Policy, the Schaeffler Group has laid down its fundamental values and principles with respect to EnEHS (see section ESRS E1-2). In its EnEHS Policy, the Schaeffler Group commits to be a responsible steward of water resources as a key element of its sustainability strategy. To this end, the company analyzes, measures, and controls its direct impacts and dependencies. This includes preventive actions to minimize water withdrawal, consumption, and discharge as well as pollution of water and soil. Additional actions consist of protecting freshwater ecosystems and proper treatment. The Schaeffler Group plans to implement these actions particularly at those of its locations that are located in areas with water scarcity.

ESG Policy

The overarching objectives of the ESG Policy are to outline the company's sustainability strategy and targets as well as their implementation, and reduce legal, financial, and entrepreneurial risks (see section ESRS E1-2). With a view to negative water-related impacts identified as material, the Schaeffler Group has defined protecting and maintaining the resource water as a priority within the five action fields of its sustainability strategy. The ESG Policy is designed to make its own employees aware of the need to use water as sparingly and sustainably as possible, especially employees at production locations situated in areas at water risk.

Business Partner Code of Conduct

The Schaeffler Group has committed to standards and minimum requirements for its own business conduct and expects its business partners to meet these as well. The Business Partner Code of Conduct describes these requirements, providing binding rules for conducting business relations with the Schaeffler Group (see section ESRS S2-1). This includes that business partners systematically monitor, disclose, appropriately control,

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts and risks.

minimize, and – to the extent possible – eliminate emissions contributing to water pollution. Business partners are also expected to reduce their consumption of water, effectively reuse and recycle water, and appropriately treat wastewater. Particularly in areas of water scarcity, water withdrawal must be minimized.

Actions [E3-2]

The Schaeffler Group would like to systematically reduce its material water resources-related impacts and risks. The actions described below address, in particular, the impacts from the company's own operations as well as the risk of water scarcity at its own locations and in the upstream value chain. For material upstream and downstream impacts, however, there is currently no action program in place yet. However, by introducing the Business Partner Code of Conduct, the Schaeffler Group has already taken action to raise awareness of material water resources-related impacts in the upstream value chain.

Under the **"Sustainability & Infrastructure"** subprogram, the company invests in actions, for instance in improving production processes and in saving resources. One of the elements defined to this end is green production. Since 2022, the Schaeffler Group has been pooling all relevant resources in a single **program to reduce freshwater withdrawal** at its own locations by identifying and introducing water conservation measures. A global interdisciplinary team is responsible for implementing the program.

In addition, the Schaeffler Group Executive Board has decided to minimize water-related production risks by systematically reducing water dependency. Based on the results of the Aqueduct database of the World Research Institute (WRI), the company has identified manufacturing locations that are situated in areas with severe or extremely severe water scarcity. Chronic physical risks are particularly relevant regarding areas of high water stress in India, Mexico, China, and Romania. Other plants in Germany, South Africa, Spain, and the U.S. are expected to be under high water stress over the next decade.

The results of the water-related risk assessment were taken into account in internal decision processes. For the Schaeffler Group, this leads to increased requirements and resulting investment and technological changes, such as projects for recycling and recirculation of water that continued to be consistently implemented in 2025. As part of this, possible location-specific actions were identified and their implementation planned: For instance, evaporator facilities were commissioned in Mexico, China, Slovakia, and Hungary, and production plants and processes were optimized with respect to recirculation of treated cooling water in cooling towers.

The Schaeffler Group also increasingly relies on water recycling to conserve freshwater. To this end, the company plans to expand closed-loop water circulation systems and recycling systems. Locations with industrial wastewater – which is generated in electroplating and needle production processes – are equipped with systems that enable processes ranging from treatment to nearly complete recycling. A variety of technologies are used for this purpose, including evaporation technology, membrane filtration, ion exchange systems, and chemical and physical treatment processes. Where this is not possible, wastewater is treated in accordance with applicable requirements and discharged into the public sewer system.

For the upstream value chain, the company's ability to directly reduce the risk of interruption of supplier's operations caused by water scarcity is limited. Therefore, the risk of interruption of operations due to failure of suppliers is minimized via supplier assessments and appropriate purchasing strategies.

The actions described do not result in any significant specific capital (CapEx) or operating expenditures (OpEx) and are implemented as part of regular operations and planned for 2026 by employees. The Schaeffler Group aims to continually develop and take further actions to reduce its water withdrawal quantities. In this context, changes in freshwater withdrawal are continually monitored.

Targets [E3-3]

In 2025, the Board of Managing Directors set a groupwide target of saving a cumulative 750,000 m³ in freshwater at the Schaeffler Group's locations by the end of 2030. The baseline value is set at the time the target is adopted and amounts to 0 m³. 184,826 m³ in freshwater was saved in 2025. The target is designed to help strengthen the resilience of the locations to growing water scarcity. The target quantity selected was derived from the Schaeffler Group's previous activities in prior years. Preparations for the definition of the target were made in regular and close consultation with the divisional and regional technical departments. The priority is on implementing specific actions that result in significant and verifiable potential freshwater savings. The annual potential freshwater savings associated with the specific actions are systematically recorded, listed, and tracked by the energy coordinators at the relevant locations. The benchmark for quantifying potential savings is generally the freshwater consumption for the year prior to implementation of a specific action. External independent environmental experts verify the recorded potential savings based on standardized supporting documentation. To achieve the target, the company specifically plans actions for process improvement, recirculation and multiple use, as well as substitution with water from sources unsuitable for drinking water.

Metrics [E3-4]

In 2025, the Schaeffler Group withdrew 5,952,176 m^3 (prior year: 5,195,582 m^3) of water. The company takes into account water from third parties, groundwater, well water, and surface water, while rain water is not considered relevant. The metric is generally captured based on primary data (e.g., invoices, meter readings) and is stored in central databases. For locations, real estate, or legal entities that are not covered by primary data capturing due to their limited size in terms of number of employees, area, or their influence, an estimation methodology is applied at the corporate level. Estimates are arrived at based on internally determined consumption data of comparable locations. This data is calculated using either the entity's number of employees or its area. This estimation methodology harbors the risk that the assumptions do not fully reflect reality, which can result in deviations.

Biodiversity and ecosystems [ESRS E4]

Impacts, risks, and opportunities (IROs) [SBM-3]

Material impacts and material risks to the Schaeffler Group related to biodiversity and ecosystems were identified in the company's own operations as well as along the upstream and downstream value chain in the materiality assessment. These are set out in the following overview. [1]

Impacts and risks associated with biodiversity and ecosystems

DIRECT IMPACT DRIVERS OF BIODIVERSITY LOSS

● **Contribution to direct impact drivers of biodiversity loss**
(Actual negative impacts)

Time horizon:	■ short-term	□ medium-term	□ long-term
Stage of the value chain:	■ upstream	■ own operations	■ downstream

Actual negative impacts on biodiversity and ecosystems along the entire value chain arise from the use and combustion of fossil fuels at all value chain stages, which further accelerate climate change as a direct driver of biodiversity loss.

Beyond this primary impact driver, actual negative impacts arise in the upstream value chain from direct exploitation of natural resources for the extraction of raw materials as well as from land use changes and landscape alterations associated with large and small-scale mining.

In addition, the Schaeffler Group's Bearings & Industrial Solutions division serves customers in the raw materials extraction sector whose activities in the downstream value chain are associated with negative impacts for the same reasons.

IMPACTS AND RISKS RELATED TO THE STATE OF SPECIES, EXTENT AND CONDITION OF ECOSYSTEMS, AND ON ECOSYSTEM SERVICES

● **Impacts on the state of species, extent and condition of ecosystems, and on ecosystem services from raw material extraction processes**
(Actual negative impacts)

Time horizon:	■ short-term	□ medium-term	□ long-term
Stage of the value chain:	■ upstream	□ own operations	■ downstream

There are actual negative impacts on the state of species, the extent and condition of ecosystems, and on ecosystem services arising from extraction and processing of raw materials in the upstream value chain.

These impacts result from removal of vegetation during construction of mines, the associated soil degradation, chemical contamination of surface and groundwater with chemicals, and the toxicity of these substances for organisms.

Mining also leads to habitat loss and fragmentation, combined with the disturbance of wildlife and potentially threatened species, which contributes to a decline in species populations.

Ecosystem services are also negatively impacted by pollution and soil degradation associated with mine development and operation. This is particularly problematic for local communities that rely on these ecosystem services.

In addition, the Schaeffler Group's Bearings & Industrial Solutions division serves customers in the raw materials extraction sector whose activities in the downstream value chain are associated with similar negative impacts for the same reasons.

● **Increasing costs due to growing ecosystem-related regulatory requirements (e.g., extraction of raw materials)**
(Transition risks)

Time horizon:	□ short-term	□ medium-term	■ long-term
Stage of the value chain:	■ upstream	□ own operations	□ downstream

Due to growing pressure on governments to preserve biodiversity and restore ecosystems, extraction of raw materials could be subject to costly legal requirements in the future or, in some cases, be prohibited altogether, which would make it increasingly difficult to maintain and expand mining capacities and develop new mines. It can lead to production bottlenecks and restrictions on productivity that affect meeting production targets and market requirements. These operational challenges can lead to loss of revenue and loss of reputation since stakeholders and customers might view the company as unreliable.

The materiality assessment reviewed all locations operated by the Schaeffler Group for their impacts on biodiversity and ecosystems, including locations under its operational control. Negative impacts with regards to desertification, soil sealing, or threatened species were not identified. The Schaeffler Group has seven locations (prior year: three locations) situated in or near biodiversity-sensitive areas. However, there are no indications that operations at these locations negatively affect these areas (see section ESRS 2 IRO-1). The locations are situated in designated industrial areas and are subject to regular EMAS validation that would reveal any potential environmental impact. The group risk process has not identified any corresponding risk that would require a different assessment. Moreover, internal requirements include an obligation to report events harming the environment, and no reports suggesting a different assessment were registered during the reporting period.

Transition plan and consideration of biodiversity and ecosystems in strategy and business model [E4-1]

As part of the risk identification process, the Schaeffler Group has also qualitatively assessed the resilience of its strategy and business model to biodiversity and ecosystems-related transition risks.

In this context, the entire value chain was considered and the assumptions and time horizons described in ESRS 2 IRO-1 were used. The "Ahead of the Game" scenario (based on the SSP1-2.6) utilized for this purpose was supplemented with biodiversity-specific factors of the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES), and its long-term perspective is aligned with the Kunming-Montreal Global Biodiversity Framework (GBF), among others.

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts and risks.

The result of the analysis demonstrates that the material transition risks resulting from rising costs due to growing ecosystem-related regulatory requirements will continue to increase and may have a greater financial impact on the Schaeffler Group in the future. Therefore, the Schaeffler Group aims to develop suitable adaptation actions in the medium to long term in order to continue to safeguard and expand the existing resilience of its strategy and business model in the future.

The company did not engage with external stakeholders in the context of the resilience analysis in 2025.

Policies [E4-2]

In its **Business Partner Code of Conduct**, the Schaeffler Group has implemented a fundamental document to address material negative impacts of its business partners with respect to biodiversity and ecosystems.

Business Partner Code of Conduct

The Schaeffler Group has committed to standards and minimum requirements for its own business conduct and expects its business partners to meet these as well. The Business Partner Code of Conduct describes these requirements, providing binding rules for conducting business relations with the Schaeffler Group (see section ESRS S2-1).

Beyond the Business Partner Code of Conduct, the Schaeffler Group has implemented various other policies to mitigate climate change (see section ESRS E1-2). Climate change is accelerated by the use and combustion of fossil fuels at all of the Schaeffler Group's value chain stages and is a direct driver of biodiversity loss. Therefore, these policies are indirectly also aimed at limiting biodiversity loss. In addition, the Schaeffler Group has a policy to protect biodiversity and ecosystems with respect to operating locations it operates in or near protected areas or biodiversity-sensitive areas.

At this point in time, however, no disclosures can be made regarding whether and how the Schaeffler Group's policies and/or fundamental documents support traceability of products, components, and raw materials with material impacts on biodiversity and ecosystems, or whether and how they address related social consequences. Further, no disclosures can be made regarding whether and how the policies and/or fundamental documents address production, sourcing, or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity.

The material risks related to potentially increasing costs due to growing ecosystem-related regulatory requirements (e.g., for extraction of raw materials) are currently not fully addressed by the existing policies and/or fundamental documents.

Actions [E4-3]

According to the descriptions of material impacts and risks, the Schaeffler Group has identified its contribution to climate change as the main driver for biodiversity loss – both in its own operations and along the upstream and downstream value chain (see section ESRS E4 SBM-3). In order to manage its impacts and risks related to climate change and, hence, biodiversity loss, that it has identified as material, the Schaeffler Group has implemented various actions, set targets, and collects metrics (see sections ESRS E1-3, E1-4, E1-5, and E1-6).

Meanwhile, the Schaeffler Group has identified material negative impacts on biodiversity and ecosystems as well as biodiversity and ecosystems-related risks that are not directly related to its contribution to climate change; examples are the extraction of raw material and land-use changes due to large and small-scale mining, or increasing costs due to growing ecosystem-related regulatory requirements. The Schaeffler Group has not implemented any specific actions addressing these impacts and risks to date for reasons including the lack of data in the value chain. However, by introducing the Business Partner Code of Conduct, the Schaeffler Group has already raised awareness of the material biodiversity and ecosystem-related impacts in the upstream value chain. The actions set out above have not yet been tracked with respect to their effectiveness regarding the identified material impacts.

Targets [E4-4]

Thus far, the Schaeffler Group's biodiversity-related activities have focused on minimizing the material impacts in its own operations. Therefore, the company has not yet set any strategic targets related to the material impacts and risks in the upstream and/or downstream value chain. This is due to the lack of data referred to above, among other things.

Metrics [E4-5]

Furthermore, the company does not collect any metrics for the upstream and/or downstream value chain.

Resource use and circular economy [ESRS E5]

Impacts, risks, and opportunities (IROs) [SBM-3]

Material impacts and material risks and opportunities of the Schaeffler Group associated with resource use and circular economy were identified in the company's own operations as well as along the upstream and downstream value chain in the materiality assessment. These are set out in the following overview. [1]

Impacts, risks, and opportunities associated with resource use and circular economy

RESOURCE INFLOWS, INCLUDING RESOURCE USE

● **Use of large quantities of primary materials**
(Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	■ own operations	☐ downstream

To manufacture its products, the Schaeffler Group depends on the use of large quantities of primary materials that are extracted in the upstream value chain, which has actual negative impacts on the environment and people.

Only a limited proportion of the materials used come from recycling or renewable sources, which runs counter to the goal of a circular economy.

● **Limited availability of sustainable raw materials and components**
(Transition risks)

Time horizon:	☐ short-term	☐ medium-term	■ long-term
Stage of the value chain:	■ upstream	☐ own operations	☐ downstream

The limited availability of sustainable raw materials and components such as green steel and natural rubber represents a risk for the Schaeffler Group's operations since it can lead to increased raw materials prices and bottlenecks in production. Especially the upcoming deforestation regulations could increase natural rubber prices which results in production delays and loss of revenue. This scarcity could also hamper the company's innovative ability and increase operating costs.

● **Increase in capital expenditure requirements due to stricter circular economy regulations**
(Transition risks)

Time horizon:	☐ short-term	■ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

Regulatory requirements associated with the circular economy could become considerably stricter in the coming years. These changes in the regulatory environment could force Schaeffler to make unplanned and potentially significant capital expenditures in order to remain compliant and competitive. These capital expenditures will likely focus on developing and implementing circular economy processes and products and require significant expenditures for research, development, and new infrastructure.

Failure to anticipate these demands early on could force Schaeffler to respond at short notice which would be associated with higher costs.

RESOURCE OUTFLOWS RELATED TO PRODUCTS AND SERVICES

● **Low recyclability of certain product materials**
(Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	■ downstream

Actual negative impacts on the environment arise from the use of certain materials contained in many of the Schaeffler Group's products as well as in customers' products. As these materials are difficult to recycle at the end of their life cycle, parts of the products have to be disposed of in landfills or incinerated, which runs counter to the goal of a circular economy.

● **Sales opportunities from use of sustainable & recycled materials in products**
(Opportunities)

Time horizon:	☐ short-term	■ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	■ downstream

The company's intention to more extensively use sustainable and recycled materials and other conceptual plans in the future to increase circularity will help reduce the carbon footprint of products and meet relevant customer requirements. A clear circular economy strategy for the Schaeffler Group's products can lead to additional orders and thus to a stronger market position.

WASTE

● **Generation of hazardous and non-hazardous waste**
(Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	■ own operations	■ downstream

Actual negative impacts on the environment arise from processes throughout the upstream and downstream value chain, ranging from raw material extraction and processing to end-of-life treatment or logistics, which generate significant quantities of waste (e.g., tailings and sludges from raw material extraction frequently containing hazardous substances, but also disposable transport packaging).

Actual negative impacts on the environment also result from the Schaeffler Group's own operations, as they generate various types of hazardous and non-hazardous waste, such as scrap metal or packaging waste.

Additionally, a significant amount of waste across the entire value chain is not recyclable and has to be disposed of in landfills or incinerated with the corresponding negative effects.

Policies [E5-1]

The Schaeffler Group has implemented various policies in order to address its material impacts, risks, and opportunities that are related to resource use and circular economy. These include the **EnEHS Policy**, the **ESG Policy**, and the **Business Partner Code of Conduct**.

EnEHS Policy

In its EnEHS Policy, the Schaeffler Group has laid down its fundamental values and principles with respect to EnEHS (see section ESRS E1-2).

With respect to resource use and circular economy, the policy specifically focuses on:

- taking into account the entire product life cycle when assessing material and resource efficiency,
- using raw materials sparingly and sustainably,

[1] Time horizons identified represent the estimated earliest period of occurrence of material impacts, risks and identified opportunities.

● Impacts ● Risks ● Opportunities

- minimizing waste, taking into account the established waste hierarchy of prevention, reuse, recycling, energy recovery, and disposal.

ESG Policy

The ESG Policy outlines the company's sustainability strategy and targets, their implementation, and the reduction of legal, financial, and entrepreneurial risks (see section ESRS E1-2). With respect to resource use and circular economy, the policy establishes that:

- the use of circular products, materials, and machinery must be prioritized across the entire value chain whenever possible,
- circular and sustainable management of waste, including scrap, should be ensured with avoidance being the top priority, followed by reuse and recycling,
- circularity and eco-friendliness should already be considered during product development in order to minimize the environmental impact of products throughout their entire life cycle and beyond. This is also intended to create business opportunities, establish sustainable practices, and improve resource efficiency along the entire value chain.

Business Partner Code of Conduct

The Schaeffler Group has committed to standards and minimum requirements for its own business conduct and expects its business partners to meet these as well. The Business Partner Code of Conduct describes these requirements, providing binding rules for conducting business relations with the Schaeffler Group (see section ESRS S2-1). With respect to resource use and circular economy, it states that business partners are expected to:

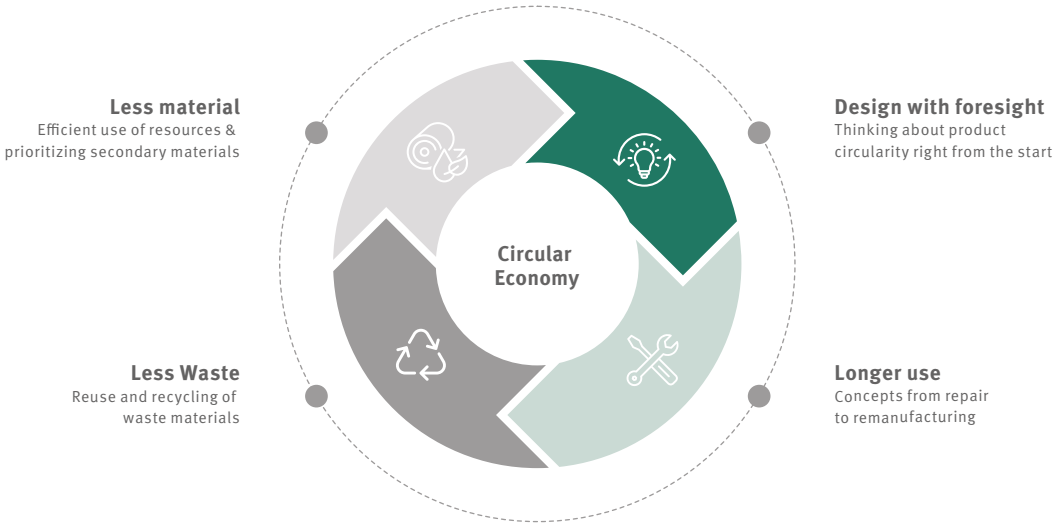
- identify, manage, reduce, reuse, recycle, and responsibly dispose of waste,
- use natural resources in a more sustainable manner, i.e., the consumption of energy, water, raw materials, and supplies is demonstrably reduced, and
- foster a circular economy approach from development to manufacturing of products and support the use of sustainable, renewable natural resources.

The Schaeffler Group has also introduced technical procurement specifications for certain materials purchased in large quantities such as specialized steel bar materials. These specifications require a scrap content of at least 95%. Suppliers who want to supply under this standard have to comply with this requirement. This standard is applied especially in cases where customers request a similar minimum scrap content.

Circular economy strategy

In addition to the above policies, the Schaeffler Group has developed a circular economy strategy that is embedded in the existing structure as part of the company's sustainability strategy. It defines four overarching principles: 1) use less, 2) develop with foresight, 3) longer use, 4) dispose of less. [1] In implementation, the company focuses on the topics of water, waste, secondary materials, and circular business fields. The strategy is continually enhanced; the targets set under the strategy are implemented via relevant actions.

Circular Economy Strategy



[1] The Schaeffler Group's activities cover eight R-Strategies: Refuse, Rethink, Reduce, Reuse, Repair, Refurbish, Remanufacture, and Recycle. The company increasingly focuses on the potential for retaining products and materials in the cycle rather than recovering energy by incinerating them. As a result, the circular economy strategy does not include any R-Strategy focusing on incineration.

Actions [E5-2]

The Schaeffler Group has implemented various actions in order to manage its material impacts, risks, and opportunities that are associated with resource efficiency and circular economy. Unless stated otherwise, all actions should be considered ongoing.

Under the **"Sustainability & Infrastructure"** subprogram, the company invests in actions designed to, for example, help achieve its climate and circular economy targets. One of the priorities is on developing and launching more sustainable products. The Schaeffler Group defines "more sustainable products" as products that cause less negative environmental impacts than their substitutes throughout their entire life cycle.

The Schaeffler Group's approach is based on a product life cycle perspective and puts a focus on **eco design principles** and **circular economy strategies**. To this end, the company performs, in a first step, life cycle analyses that quantify current and potential environmental impacts of individual products or product families. These analyses are not only used to determine the contribution of materials, design characteristics, and manufacturing and logistics processes along the life cycle to the total carbon footprint. They also form the basis for identifying environmental hotspots and deliberately deriving opportunities for improvement.

Based on these findings, the Schaeffler Group defines actions that reflect both the principles of eco design and circular economy strategies. For instance, the company utilizes potential for improving materials efficiency where economically expedient, reduces the usage of primary as well as critical and rare raw materials, and aims to increase efficiency in the use phase. In line with a circular economy, the company prioritizes the use of long-lived materials and components. Additionally, the company implements innovation projects that, for instance, adjust design to improve the ability of products to be recycled, dismantled or repaired at the end of the use phase.

In addition, the Schaeffler Group actively participates in multi-stakeholder initiatives and alliances in order to make the value chain increasingly circular.

The Schaeffler Group has defined **waste management** principles for its own operations in order to minimize waste generation. At all locations that generate more than 25 metric tons of non-hazardous waste or more than two metric tons of hazardous waste per year, a waste coordinator must be appointed regardless of legal requirements. In addition to monitoring waste generation, collection, and disposal, these coordinators' responsibilities include developing and introducing low-waste and eco-friendly processes. Providers of disposal services are assessed in accordance with the requirements of the EnEHS Manual. The type and frequency of assessment depend on whether the service provider disposes of hazardous waste, scrap, or non-hazardous waste.

Standardized waste databases are used for purposes of reporting global waste quantities. Categorization for hazardous and non-hazardous waste, for example, follows the definitions prescribed by the relevant countries. The actions described do not result in any significant specific capital (CapEx) or operating expenditures (OpEx) and are implemented as part of regular operations and planned for 2026 by employees.

Targets [E5-3]

In terms of waste efficiency, the company has set a target of, by 2030, considerably reducing the percentage of its waste (excluding construction and demolition waste) that is not recyclable compared to 2024. The target value for 2030 is 6%.

The Schaeffler AG Supervisory Board established a percentage of non-recyclable waste of 9.4% as a target value for purposes of the short-term variable remuneration for 2025. The target percentage selected was derived from specific analyses of potential that were performed jointly with the technical departments of the divisions and regions and are based on the 2024 baseline value of 11.7%. With respect to waste efficiency, the Schaeffler Group has determined a value of 8.3% for 2025 using the same methodology as for the remaining waste metrics. The company intends to achieve the targets with specific actions like installing briquetting and vaporization plants that can be used to actively reduce quantities of non-recyclable waste. With this target, the company wants to contribute to improving the circularity of its business activities overall. Waste generated that fall in the construction and demolition waste category is explicitly excluded from this target, since it is normally generated outside of the actual business processes and can be actively influenced to a much lesser extent.

With respect to more sustainable materials, the Schaeffler Group has set itself, for the first time, the target of raising the percentage of proven secondary materials in materials used in manufacturing products to 35% by 2030. The baseline value for this target is the amount of 0.0% determined in 2025. The ambition level selected was derived from scientific studies and assessments – improved from the prior year – by internal material experts who participated, jointly with the technical departments of the divisions, in developing the CO_2eq reduction levers. With the above target, the Schaeffler Group wants to contribute to improving the circularity of materials used while at the same time supporting the decarbonization of the upstream supply chain. The definition and amount of the target correspond to the the definition and amount of the metric (see section ESRS E5-4) for 2025 which was redefined due to the adjustments to the definition and calculation method compared to 2024.

Metrics

Resource inflows [E5-4]

Steel is the most important resource for the Schaeffler Group, followed by electronic components, aluminum, and plastics, and is primarily used in the form of warm and cold rolled strip, bar, and tube materials, or rough-turned rings. Aluminum is usually used as cast aluminum in housings, while plastics are found in a variety of products such as electrical insulation layers, seals, and rolling bearing cages. Magnets are another important component and are primarily used in motors, but also in sensors. Further, the Schaeffler Group requires water for various production processes and various types of packaging to facilitate safe transport of products.

The resulting material flows have a material impact on the environment arising from resource extraction, production waste generated, and treatment at the end of the product use phase. The Schaeffler Group relies on a variety of ways to use secondary materials and thus reduces the environmental impact and geographic dependencies associated with using resources.

The total overall weight of products and technical and biological materials used during the reporting period was approximately 1,907,000 metric tons (prior year: 1,354,000 metric tons). [1] In the current year, the term “products and technical and biological materials used” was reinterpreted: In deviation from the prior year, it now includes only products and materials directly attributable to production and no longer items such as production tools. This significantly decreases the amount disclosed for the reporting period from that for the prior year. To ensure comparability, the prior year amount was retrospectively adjusted from 11,400,000 metric tons to 1,354,000 metric tons in accordance with the new definition.

All reported values have been rounded to the nearest metric kiloton.

Determining the percentage for 2025 of reusable or recycled secondary components, intermediary products, and materials used, the company considers all relevant purchased goods required to manufacture Schaeffler products (including steel, aluminum, plastics, electronics, components, and packaging). The purchased material numbers incurred during the reporting period for the produced Schaeffler products (i.e., the bill of materials) are reconciled with all purchased material numbers and their quantities from the purchasing report. The resulting subset represents the total weight of materials used in manufacturing products. The company only considers materials numbers for which a physical purchasing weight is available. Generating this subset represents a clear improvement compared to the methodology applied in 2024 which which only considered the sum of purchased materials.

When determining this metric, the company only considers information on the percentage of secondary materials that has been provided by suppliers and were validated by internal material experts. Internal materials or reused products are excluded from the metric in order to prevent double counting. The percentage of reusable or recycled secondary components, intermediary products, and materials used of 35% reported for 2024 in accordance with ESRS E5-4 was based on estimates of internal material experts rather than on verified supplier information reviewed for reasonableness. In order to avoid estimation uncertainty and the use of secondary data going forward, the Schaeffler Group has decided to exclusively use verified supplier information reviewed internally by material experts for this metric starting in 2025. Since such supplier information was not yet available in 2025, the amount for both 2024 and 2025 was set to 0.0%.

Resource outflows [E5-5]

Products and materials

The Schaeffler Group’s key products include rolling bearings and drive systems that are mainly made of steel, which is considered particularly highly recyclable. In 2025, an initially still small proportion of the products supplied by the Schaeffler Group consisted of recycled and refurbished products.

With respect to the expectable durability of the company’s products, its product portfolio can be divided in two main segments: automotive and industrial.

The automotive products manufactured by the Schaeffler Group are mainly used in vehicles with an expected service life of typically 150,000 to 400,000 kilometers. Hence, the company’s automotive components are designed to meet or exceed these durability requirements in order to ensure reliable performance throughout the entire service life of the vehicle.

In the industrial segment, product service life varies widely due to the diverse applications of the Schaeffler Group’s extensive portfolio. In certain specialized applications, the service life may be only a few hours (e.g., 100 hours), while in other cases it is more than 100,000 hours (nearly twelve years of continuous operation). A reliable indication of the expected service life of a bearing in a specific application is provided by load ratings (dynamic and static load ratings). A comparison of these load

[1] As the percentage of biological materials is not material, it is not shown separately.

ratings to those of other manufacturers shows that the service life of the company's products is in line with the general industry average. However, since bearing applications are extremely heterogeneous, a distinct industry average for durability (measured in operating hours) cannot be defined exactly. Nevertheless, the Schaeffler Group consistently meets its customers' expectations regarding durability across all products.

The Schaeffler Group promotes the repairability of vehicles by offering the repair solutions of the Vehicle Lifetime Solutions division. However, there is currently no comprehensive established rating system covering the entire company.

The rate of recyclable content is 82% (prior year: 80%) for products and 88% (prior year: 85%) for packaging.

The recyclability of products was calculated by identifying and categorizing relevant purchased materials, products, and goods using the bills of materials of the company's sold products and having internal material experts assess them with respect to their potential for recycling.

The Schaeffler Group's estimates of recyclable content in products are based on the knowledge and experience of material experts, information obtained in discussions with recycling companies, and public sources on the potential recyclability of certain materials; however, a certain amount of estimation inaccuracy cannot be ruled out. The recyclable content of packaging is theoretically higher than shown herein. The calculation of the content took into account that packaging may be contaminated, rendering it unrecyclable. The percentage of contaminated packaging is as yet unknown. However, the methodology for determining this percentage was refined from the prior year by making more granular assumptions regarding contamination and analyzing the relevant weight data. This analysis was performed on the basis of all available data and is available as an estimate for the entire Schaeffler Group.

Waste

The metrics with respect to energy, water, and waste are generally captured based on primary data (e.g., invoices, meter readings) and are stored in central databases. For locations, real estate, or legal entities that are not covered by primary data capturing due to their limited size in terms of their number of employees, their area, or their influence, an estimation methodology is applied at the corporate level. Estimates are arrived at based on internally determined consumption data of comparable locations. This data is calculated using either the relevant number of employees or the area. This estimation methodology harbors the risk that the assumptions do not fully reflect reality, which can result in deviations. The following summary provides an overview of information on the total amount and the amount of relevant subsets of waste generated in the Schaeffler Group's own operations.

Waste generation

in metric tons	2025	2024
Total amount of waste generated	**736,764**	**742,865**
Total amount of non-hazardous waste	**664,685**	**671,247**
• of which diverted from disposal	650,613	653,570
• by preparation for reuse	0	0
• by recycling	630,498	630,167
• by other recovery operations	20,115	23,403
• of which disposal	14,071	17,676
• by incineration	1,447	1,418
• by landfill	8,810	12,263
• by other types	3,814	3,995
Total amount of hazardous waste	**72,079**	**71,619**
• of which diverted from disposal	51,612	47,302
• by preparation for reuse	0	0
• by recycling	42,491	26,259
• by other recovery operations	9,121	21,043
• of which disposal	20,467	24,317
• by incineration	3,131	5,333
• by landfill	1,390	1,171
• by other types	15,946	17,813

The table shows a total amount of non-recycled waste of 63,775 metric tons (prior year: 86,439 metric tons), representing a percentage of 8.7% (prior year: 11.6%). There is no radioactive waste. The waste stream most relevant to the Schaeffler Group's activities comprises waste from mechanical forming processes. The materials present in the waste are primarily metals and, in smaller quantities, plastics.

5.3 Social

Own workforce [ESRS S1]

Impacts, risks, and opportunities (IROs) [SBM-3]

The Schaeffler Group is a company with global operations and 111,651 (prior year: 115,937) employees. Material impacts associated with the company's own workforce were identified for the Schaeffler Group in the materiality assessment. They arise from operations and the underlying business model and are set out in the following overview. [1]

The Schaeffler Group's own workforce comprises all employees and non-employees. The term employee refers to persons permanently or temporarily employed by a Schaeffler Group company on a full- or part-time basis. The term employees as used in the sustainability statement also includes, in addition to the number of employees presented in the "Organizational structure and business activities" chapter, all temporary employees. Non-employees are self-employed people or people provided by third parties and, hence, are not formally employed by a Schaeffler Group company, and who supply labor to a Schaeffler Group company on a regular basis or over a longer period of time. Some policies and actions also cover other individuals (such as apprentices) who are not considered employees under the ESRS definition.

Impacts and risks associated with own workforce

WORKING CONDITIONS

- **Decent and healthy working conditions**
  (Actual and potential positive impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

The Schaeffler Group is experiencing actual positive impacts on its employees resulting from the company's efforts to ensure decent working conditions and secure employment. Employees in Germany in particular benefit from collective agreements and the existence of works councils in terms of fair treatment and adequate wages as well as a good work-life balance, for instance as a result of hybrid work models.

Additionally, potential positive impacts on the company's employees result from various activities, programs, and initiatives designed to promote physical and mental health as well as safety.

- **Poor working conditions in risk-prone countries**
  (Potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

There are potential negative impacts on the company's own workforce with respect to secure employment, working time, adequate wages, freedom of association, and collective bargaining in certain countries at risk.

In such countries, workers may be exposed to long and excessive working hours, wages below the minimum subsistence level, a lack of union power, and a high proportion of temporary workers. Such working conditions are associated with adverse social consequences and potential health problems.

- **Occurrence of work-related accidents**
  (Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

Actual negative impacts on the health and safety of the company's own workforce arise from the occurrence of work-related accidents involving the use of heavy machinery or the handling of hazardous substances, for instance.

- **Job losses due to transformation processes**
  (Actual negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

Actual negative impacts on secure employment of employees arise from transformation processes – triggered by macroeconomic changes – that lead to the closing of locations and to job losses.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

- **Training and development programs**
  (Actual positive impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

There are actual positive impacts on employees arising from a wide range of training and development programs to support employees in achieving their personal and professional goals.

- **Challenges related to equal treatment and opportunities for all of the company's own workforce**
  (Actual and potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

Potential negative impacts on the company's own workforce can arise related to gender equality, including in management positions and in the form of gender pay gaps, both unadjusted and adjusted, that violate the principle of equal pay for work of equal value. Physical barriers at some locations may also cause a lack of integration and inclusion of people with disabilities.

There are actual negative impacts originating from reported incidents of harassment and discrimination as well as from one severe case of abuse of power in the workplace.

OTHER WORK-RELATED RIGHTS

- **Violations of other work-related rights**
  (Potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

The Schaeffler Group employs its own workers in geographic regions where child and forced labor are generally widespread as potential negative impacts. This is the case in regions such as Asia and South America. With respect to forced labor, Eastern Europe is included as well.

- **Data protection breaches**
  (Potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

There are potential negative impacts on the privacy of the company's own workforce arising from the possibility of data breaches that could lead to personal and professional damage.

The Schaeffler Group recognizes its responsibility in the areas of "working conditions", "equal treatment and opportunities for all", and "other work-related rights". The company promotes

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts.

actions targeted at safe work spaces, fair and performance-linked wages, and family-friendly arrangements to achieve the best work-life balance possible (see section ESRS S1-4).

However, material negative impacts with respect to the company's own workforce cannot be ruled out. In particular, these relate to equal treatment and opportunities for the company's entire own workforce and to respecting work-related rights. The groups of people who are particularly affected can include employees in production, apprentices, and external service providers on the plant premises. The material potential negative impacts set out above are widespread in several of the countries the Schaeffler Group operates in. There are no indications that conditions within the company caused or contributed to the occurrence of negative impacts which actually occurred in 2025.

In order to prevent, mitigate, and improve the material negative impacts on its own employees and promote positive impacts, the Schaeffler Group implements actions with respect to working conditions, equal treatment and opportunities for all, and other work-related rights (see section ESRS S1-4). Along with the impacts, these actions also address all risks identified in the risk analysis of the Human Rights Compliance Management System (CMS) (see section ESRS S1-3). The corporate strategy and the business model were not adjusted during the reporting period.

Policies [S1-1]

To the Schaeffler Group, respecting human rights, including workers' rights, is an important aspect of all its business activities and its corporate culture. This especially encompasses responsibility for the rights of employees and of the workers along the value chain. In order to live up to its corporate responsibility as far as possible and promote good working conditions, diversity, and inclusion, as well as compliance with and reinforcement of ethical principles and human and social rights standards, the Schaeffler Group, unless otherwise stated, has closely aligned all of its policy statements and policies with the following global standards:

- the UN Guiding Principles on Business and Human Rights,
- the OECD Guidelines on Responsible Business Conduct,
- the UN International Bill of Human Rights, and
- the core labor standards of the International Labour Organization (ILO)

Additionally, the Schaeffler Group is a signatory to the UN Global Compact and is committed to its ten principles.

The Schaeffler Group has implemented various policies and policy statements in order to address its material impacts on employees with respect to working conditions, equal treatment and equal opportunities, as well as other work-related rights. These include the **Schaeffler Code of Conduct**, the **Business Partner Code of Conduct**, the **ESG Policy**, the **Human Resources Policy**, the **Compensation and Grading Policies**, the **EnEHS Policy**, the **Human Rights Compliance Policy**, the **Statement on Respect for Human Rights**, and the **Policy Statement on Human Trafficking**. These policies and policy statements assist the company in meeting national and statutory requirements as well as its own corporate objectives.

Schaeffler Code of Conduct

The Schaeffler Code of Conduct is designed to establish a corporate culture in which integrity, fairness, and mutual respect represent the foundation of its worldwide business activities in order to create the prerequisites for its sustained success.

The Schaeffler Code of Conduct comprehensively describes the Schaeffler Group's values and principles of conduct as summarized below. The company is consistently committed to respect for human rights and fair working conditions. This encompasses adequate wages, a work-life balance, the right to freedom of association and collective bargaining, occupational health and safety, promoting diversity and the principle of equal treatment, rejecting human trafficking as well as forced and child labor, and protecting personal data. The Schaeffler Code of Conduct also stipulates that the Schaeffler Group does not tolerate any form of discrimination or harassment. No person shall be discriminated against or disadvantaged on the grounds of factors including age, disability, ethnic origin, marital status, gender, skin color, membership in workers' organizations, nationality, political views, religion or ideology, sexual orientation, pregnancy, social background, or other characteristics protected by law. Suspected violations can be reported using the Schaeffler Group's Whistleblowing System (see section ESRSS1-3). The effectiveness of key stipulations of the Schaeffler Code of Conduct on human rights matters is reviewed by the Compliance department using controls. Under the Schaeffler Code of Conduct, the Schaeffler Group Executive Board and all employees undertake to comply with the values and principles of conduct established as well as all applicable laws and regulations. The CEO represents the most senior level accountable for its implementation. The Schaeffler Code of Conduct was approved by the Schaeffler Group's Executive Board. The Schaeffler Code of Conduct has been made publicly available on the Schaeffler Group's corporate website.

Business Partner Code of Conduct

Additionally, the Business Partner Code of Conduct describes the standards and minimum requirements of conduct that the Schaeffler Group adheres to and expects its business partners to observe as a mandatory basis for business relationships with the Schaeffler Group. The Business Partner Code of Conduct contains requirements related to the safety of workers, adequate working conditions, as well as human trafficking, and forced and child labor. The Business Partner Code of Conduct expresses the Schaeffler Group's expectation that business partners operate in close alignment with international standards such as the core labor standards of the ILO (see section ESRS S1-1).

ESG Policy

The overarching objectives of the ESG Policy (see section ESRS E1-2) are to outline the company's sustainability strategy and targets as well as their implementation, and reduce legal, financial, and entrepreneurial risks. With respect to material impacts of the company's business activities on the company's employees, the ESG Policy defines the action fields of "Human rights & work conditions" and "Empowering people for a sustainable future".

Human Resources Policy

The aim of the Human Resources Policy is to create a framework for global minimum employment standards and to clarify the principles of human resources work. The policy puts a particular focus on topics affecting human resources management and its principles such as recruiting, onboarding, personnel development, qualification and training, reward, and exit, while also providing flexibility with a view to local market requirements, typical practices, and local legal regulations. The policy is also aimed at promoting diversity and appreciation in the workplace by all employees. The effectiveness of processes referred to in the policy is evaluated, for instance, in annual internal and external audits. The Human Resources Policy applies to the entire Schaeffler Group, falls under the responsibility of the Chief Human Resources Officer, and is approved by the Schaeffler Group's Executive Board. It is available internally.

Compensation and Grading Policies

The Compensation Policy creates a framework for global standards in the remuneration system for managers and employees. Additionally, the Grading Policy defines an objective grading system to be applied to positions within the company to facilitate comparing functions across the various countries. This system aims to reinforce non-discriminatory, function-based setting of remuneration in the various local markets. The Policies are also intended to provide flexibility in taking into account local market requirements, common practices, and local legal requirements. The Compensation Committee is responsible for monitoring compliance with the principles and makes recommendations on any adjustments to the Board of Managing Directors of Schaeffler AG.

As the Policies apply to the entire Schaeffler Group, they cover the company's own operations. Exceptions may arise from local legal requirements, collective bargaining agreements, and works agreements with local employee representatives. The interests of shareholders, investors, management, and employees are taken into account as far as possible via common targets embedded in annual variable remuneration. The Compensation and Grading Policies are approved by the Schaeffler Group's Executive Board. The Chief Human Resources Officer represents the most senior level accountable for its implementation. The Policies are available internally.

EnEHS Policy

In its EnEHS Policy (see section ESRS E1-2), the Schaeffler Group has laid down its fundamental values and principles with respect to energy, environment, and health and safety topics. These values and principles are operationalized in the EnEHS management system (see section ESRS S1-3) in order to continuously improve the company's EnEHS performance by, for instance, minimizing or eliminating hazards and raising employee awareness. With respect to the actual negative own workforce-related impacts identified as material, the EnEHS Policy focuses on the aspects of health and safety, hazard prevention and emergency management as well as training.

Human Rights Compliance Policy

The Human Rights Compliance Policy is intended to ensure respect for human rights for all those affected by the activities of the Schaeffler Group's own operations and by operations along the entire value chain. The Policy defines binding minimum requirements for all employees regarding compliance with national and international legal requirements and taking into account international standards with regard to human rights due diligence within the Schaeffler Group and the supply chain. As part of the statutory due diligence obligations, human rights risks have to be analyzed and appropriate measures taken and continuously evaluated for their effectiveness. The Policy serves as a general preventive measure to protect human rights. In addition, all companies belonging to the group are obligated to remedy any human rights violations in their area of responsibility. As the Policy applies to the Schaeffler Group, it covers the company's own operations; it was approved by the Schaeffler Group's Executive Board. The CEO represents the most senior level accountable for its implementation. The Human Rights Compliance Policy is available internally and is supplemented by an internal process and activity-specific instructions that ensure operational implementation of the binding minimum requirements.

Statement on Respect for Human Rights

The Statement on Respect for Human Rights sets out the Schaeffler Group's human rights strategy taking into account the requirements of the German LkSG. It formulates the goal of adequately meeting human rights and environment-related due diligence obligations, working toward the implementation of these rights in the company's global supply chains, and respecting the rights of affected parties. The Statement on Respect for Human Rights encompasses, in particular, the rights of the

company's own workforce, workers in the supply chain, as well as affected communities and indigenous peoples. The human rights strategy is designed to preclude and/or minimize risks and to prevent or cease the violation of human rights or environment-related obligations. The responsibility for the operational implementation of human rights and environment-related due diligence obligations, especially for anchoring the human rights strategy in departments and processes, rests with the respective nominated technical department. The company reviews the effectiveness of its measures and processes, including its whistleblowing system, regularly and on an ad hoc basis. When it was first developed, the Statement was agreed in a dialog with the competent technical departments, external experts, and the Schaeffler Group's Economic Committee. The Schaeffler Group's Executive Board is responsible for issuing the Statement. The Statement is updated on a continuous basis.

Policy Statement on Human Trafficking

The Schaeffler Group uses this Policy Statement to position itself externally and set out the fundamental principles by which it aims to prevent human trafficking, modern slavery, and forced labor – including fraudulent practices in the recruitment of employees. The principles set out in the Policy Statement apply to all areas of the company and to all subcontractors. The Policy Statement is based on the Schaeffler Code of Conduct, the Business Partner Code of Conduct, and the fundamental principles of the Human Rights Compliance Policy. The document itself is not legally binding, but is effective in conjunction with the documents referred to above. The Chief Human Resources Officer represents the most senior level accountable for implementation of the Policy Statement. It is available on the company's website.

Processes for engaging with own workforce and workers' representatives [S1-2]

The Schaeffler Group cultivates relationships with its employees throughout the company and works with workers' representatives to promote dialog and engagement. Additionally, when enhancing its Human Rights CMS, the Schaeffler Group gives due consideration to the interests of its employees, workers within its supply chains, and those who may otherwise be directly affected in a protected legal position by the economic activities of the company or by the activities of a company in its supply chains.

This takes the form of a variety of communication formats and dialogs and under a multi-stakeholder approach. The Schaeffler Group has been inviting relevant stakeholders to an open discussion on the topic of human rights once a year since 2022. In October 2025, a holistic Sustainability **Stakeholder Dialog** was held in Herzogenaurach for the second time, with human rights issues, circular economy, and climate action on the agenda along with regulatory as well as social trends and challenges. Participants came from among the Schaeffler Group's employee representatives, customers, suppliers, companies from other industries, scientists, as well as consulting firms and civil society organizations. During the dialog, participants reflected upon the results of the human rights risk assessment including the audits performed (see section ESRS S1-3) and discussed key issues relating to implementation of preventive actions. Beyond the engagement processes above, there are no additional separate concepts for engaging with the groups who may be particularly vulnerable to material impacts.

All workers are considered via the grievance channel and the annual risk analysis in accordance with the LkSG. Targeted preventive and remedial measures are taken if violations are identified. Operational responsibility for regularly engaging with the company's own workforce on human rights issues rests with the head of Human Rights in the Strategic Sustainability department. Transparency, trust, and teamwork between management, employees, and employee representatives are integral to the corporate culture. Personal performance and development has to be discussed with employees on a regular basis, at least once a calendar year, and the discussion has to be documented. The relevant manager is responsible for this.

Moreover, the right of the Schaeffler Group's employees to freedom of association and/or collective bargaining is laid down in the Schaeffler Code of Conduct. The company aims to work with workers' representatives in a constructive interaction based on trust (see section ESRS S1-4). Especially in Germany, regular **dialogs with employee representatives** are held at the Schaeffler Group's locations, in which participants share information on, for instance, local economic conditions and the resulting consequences for the employer and employee representatives. Information gained in the dialogs is centralized by the Group Works Council and the Schaeffler Group's Economic Committee on the works council side and by HR Germany and Labor Relations on the employer side.

Regular surveys represent another important tool used by the Schaeffler Group to engage with employees. In 2025, a total of five "Integration Pulse Surveys" were conducted to support the integration of Vitesco Technologies Group AG, for example. The

results of these surveys provided an indication of the progress of the merger and of the company's relationship with its employees. Actively obtaining feedback is intended to promote open and transparent communications and provide insight into employees satisfaction and engagement. Based on the results, weaknesses can be identified and potential opportunities for improvement derived. Based on feedback from employees, change management was reinforced by, for example, introducing an integration ambassador program and a change management best practices platform, and overall communication in this regard was expanded. In order to assess the effectiveness of the derived actions, the company plans to conduct these spot surveys containing five core questions in a similar format in 2026 as well.

Additionally, the company conducted its first comprehensive global employee survey in 2025. It covers not only employee commitment but also their assessment of the corporate strategy, the company's image, and leadership behaviors. Specific metrics determined include a leadership score, a respect & inclusion score, and an engagement score that are measured based on a 5-point Likert scale. An external provider's tool was used for this purpose to keep the responses anonymous. Along with quantitative assessments, all of the Schaeffler Group's permanent employees were given the opportunity to provide open comments and suggestions for improvement. More than 90,000 employees worldwide participated in the survey, representing a participation rate of 81%. The survey will be repeated annually to monitor progress and make it measurable.

Processes to remediate negative impacts and channels for raising concerns [S1-3]

The Schaeffler Group has a number of processes to prevent and/or remediate material negative impacts on its own employees. Additionally, the company offers employees and external persons various channels through which they can raise complaints. This is also where reports on human rights violations are received, for instance.

EnEHS management system

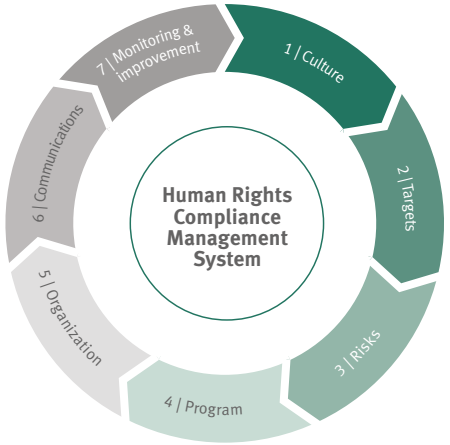
To comply with legal requirements and to further develop internal processes and standards for occupational health and safety, the Schaeffler Group uses a comprehensive EnEHS management system. This system reflects international occupational safety standards, among other things, and is audited groupwide in accordance with ISO 45001. Within the framework of the EnEHS management system, all managers and employees are required to comply with the occupational safety regulations. They are also obliged to report unsafe situations or hazards to their supervisors. Hazards are identified and evaluated using activity- and workstation-related risk assessments and preventive actions established where necessary. Occupational safety staff in the respective production plants provide advice to managers on how to fulfill their responsibilities. The results relating to occupational safety are regularly discussed with the relevant Managing Directors of Schaeffler AG. If necessary, further actions are agreed upon. In this way, the EnEHS management system is continually enhanced. The actions referred to above that are part of the management system are discussed in further detail in section ESRS S1-4.

Human Rights Compliance Management System

The Schaeffler Group's Human Rights CMS assists the company in meeting and monitoring its human rights due diligence obligations so that human rights are respected in its own operations and its supply chains. It is structured in accordance with IDW AsS 980.

The Human Rights CMS is based on the values and principles of the Schaeffler Code of Conduct and on compliance with applicable national legal requirements and taking into account international standards the company has committed to complying with. It is also designed to meet employees' expectations and customers' and other stakeholders' requirements with respect to fulfilling human rights due diligence obligations. The Human Rights CMS identifies and assesses human rights risks related to the company's own operations and develops preventive measures for prioritized risks. Remedial action is taken for actual negative impacts of the company's own operations that are identified as material.

Human Rights Compliance Management System



Responsibility for the effectiveness of the Human Rights CMS rests with the Strategic Sustainability department for the company's own operations and the Purchasing Strategy & Strategic Supplier Management Sustainability department for the supply chain. The Compliance & Corporate Security department oversees the Human Rights CMS and holds the higher-level governance role. This also includes reporting on the key elements of the Human Rights CMS to the Executive Board on a regular basis, for instance on the results of the risk analysis in accordance with the LkSG.

The risks element represents a key component of the Human Rights CMS. It comprises actively and regularly identifying, evaluating, and prioritizing human rights risks and violations in

a risk analysis in accordance with the LkSG. The company has been performing such a risk analysis, in which it assesses relevant human rights issues, at least once a year since 2022. During the year, the company has reviewed the human rights risk assessment relating to its own operations for all locations and all topics covered by the LkSG. The methodology applied in this step of the process initially consisted of identifying country- and sector-specific human rights risks based on indicators obtained from global, publicly available statistics including those of the World Bank, the ILO, and the UN on risk topics. The results of this abstract risk analysis allow for an initial assessment of issues and locations.

Building on this, the company performed a detailed, location-specific risk analysis that identified and prioritized risks to the Schaeffler Group in the areas of discrimination, forced labor, and working hours. The background for these prioritized risks are primarily the very high abstract country and sector risks that are not yet adequately addressed by appropriate measures. The results of the risk analysis lead to an action plan and the status of implementation and appropriateness of the actions are reviewed at regular intervals. The preventive measures and remedial actions that are part of the action plan are explained in section ESRS S1-4.

Grievance mechanism and whistleblowing system

Additionally, the Schaeffler Group has a groupwide, transparent, public grievance mechanism that is as barrier-free as possible. Both the company's own workforce and workers along the value chain and external parties can use it to report potential human rights violations and other non-compliant conduct. All reports are processed regardless of by whom and through which reporting channel they were made.

To this end, the company provides various reporting channels, including an electronic whistleblowing system, an e-mail inbox, a 24/7 phone hotline, and a mailing address. People raising complaints and/or whistleblowers can also report incidents in person. The electronic whistleblowing system was available in numerous languages in 2025 and enables whistleblowers to communicate confidentially, encrypted, and securely. It also allows for reports to be made anonymously. In principle, the other channels provide for reporting in all languages. A publicly available, written guideline on the whistleblowing system describes the reporting channels and categories available, the information required for a report, the procedure following receipt of the report, and the measures defined to ensure the protection of the whistleblower.

The internal processes and requirements are designed to protect the whistleblower against disadvantage or punishment as effectively as possible by specifying that reports have to be examined impartially and processed independently without being bound to directions. The specialists entrusted with this are bound to secrecy. Investigations are to be conducted in an objective, open-ended, factual, efficient, and effective manner as soon as possible.

Internally, the Forensics & Investigations department is responsible for processing reports. It falls under the responsibility of the head of Compliance & Corporate Security. Investigations are subject to the need-to-know principle under company-wide rules, which means that anyone affected by an investigation, including the decision makers, only become privy to the reports and/or related further information and data to the extent necessary for them to fulfill their responsibilities.

The effectiveness of the complaints procedure is regularly reviewed internally. The review is based on the effectiveness criteria of the UN Guiding Principles on Business and Human Rights and the BAFA handout "Complaints Procedure under the German Supply Chain Due Diligence Act". The Schaeffler Group's complaints procedure was assessed as effective based on an assessment and results logic defined by the company. No need for its enhancement was defined.

All Schaeffler Group employees are briefed on the various reporting channels, including especially the electronic whistleblowing system, via the Schaeffler Code of Conduct, information on the corporate website, and online training courses such as the "Human Rights @ Schaeffler Basic Training" and "Integrity & Security @ Schaeffler", among others. The Schaeffler Code of Conduct stipulates that retaliation against reporters who speak up in good faith regarding misconduct within the company is forbidden. The policies governing this are described in section ESRS G1-1.

Actions [S1-4]

At the Schaeffler Group, commercial success, a long-term focus, and awareness of social and ecological matters are closely linked. The Schaeffler Group is committed to ensuring that its practices do not cause or contribute to any material negative impacts on the company's own workforce. To this end, the Schaeffler Group relies on various fundamental documents, policies (see section ESRS S1-1), and management systems (see section ESRS S1-3) covering aspects such as procurement (see section ESRS S2-1) and data protection. The Schaeffler Group is guided by national and international standards to ensure compliance with human rights, including workers' rights in its own operations as far as possible. The company has established processes for identifying and addressing material potential and actual negative impacts on its own workforce. These processes include, among other things, management systems (see section ESRS S1-3), communications formats and dialogs with stakeholders (see section ESRS S1-2), as well as a corresponding data report that can be used to develop and implement actions in a targeted manner.

During the year, various actions were implemented that should be considered ongoing unless stated otherwise. The actions described do not result in any significant specific capital (CapEx) or operating expenditures (OpEx) and are implemented as part of regular operations and planned for 2026 by employees.

Working conditions

Decent working conditions: Appropriate preventive and remedial actions are defined and implemented as part of the Human Rights CMS. The starting point for deriving actions are risks derived in the annual risk analysis in accordance with the LkSG and from publicly available reports, reports from the grievance mechanism (see section ESRS S1-3), and audits. Along with potential external audits, these audits also include internal human rights audits that were conducted at four locations for the first time in 2025. The focus is on standard preventive actions designed to ensure respect for human rights in the company's own operations and supply chain and to avoid violations of occupational health and safety regulations. For example, the company held events on human rights on the shop floor, communicated the Schaeffler Code of Conduct more widely, and increased awareness of the grievance mechanism (see section ESRS S1-3) in 2025. The Human Rights CMS requires the actions to correctly address the impacts identified as material and the desired target of the relevant action to be achieved.

Promoting occupational health and safety: Under its **"Sustainability & Infrastructure"** subprogram, the Schaeffler Group drives initiatives to promote the health and occupational safety of its employees. In this context, the Schaeffler Group's occupational health and safety relies particularly on preventive health-promoting actions that are oriented toward needs and target groups. These actions include preventive medical check-ups, online courses, and virtual training sessions that take place during and outside working hours. The actions are intended to reduce general workplace stress, such as shift-specific challenges, psychological demands, and inadequate workplace ergonomics, and are aimed at promoting healthy behavior and preventing work-related accidents.

Events have been held at the Health and Safety Days each year since 2023 to raise awareness of how to prevent accidents and occupational illnesses. In 2025, information material was provided on the topic of "Why do we take risks even though we know better" and the start of the "Safety One" global occupational safety campaign was promoted.

In 2025, the Schaeffler Group received its first certificate for participating in the EU-OSHA Healthy Workplaces Campaign. Participation in the "safe and healthy work in the digital age 2023–2025" campaign of the European Agency for Safety and Health at Work raised awareness of the impacts of digital technologies.

To foster employees' mental health, the company offered presentations and practical exercises on the theme of "healthy sleep" at the global Mental Health Day in 2025 under the motto "sleep makes your day!"; the global "Resilient Mind" training program to strengthen individual resilience was also offered at this event.

The following occupational health and safety actions are in place to mitigate material actual and potential negative impacts in this context:

- All employees receive training that includes instruction on safe behavior, existing hazards and occupational safety measures at workstations, as well as on on appropriate conduct in medical emergencies.
- Comprehensive risk assessments are carried out for all workstations. Managers receive specialist support from the safety coordinator or company medical staff.
- Following the risk assessment, occupational safety measures are implemented in line with the following hierarchy: Substitution/avoidance of the source of the danger (e.g., hazardous chemicals), technical measures (e.g., enclosure of machines), organizational measures (e.g., restricting access rights), personal protective clothing (e.g., gloves), personal conduct (e.g., through training).
- The company has to design workstations, equipment and processes to be safe, healthy, and ergonomic. When planning, operating, and maintaining machinery and systems, the system operator must ensure state-of-the-art machinery safety. Depending on the topic, advice is provided by safety and/or ergonomics coordinators or by occupational health staff.
- Harmful influences on the physical and mental health of employees, e.g., from noise or hazardous substances, must be identified in the risk analysis and minimized through suitable measures such as noise protection.

If a work-related accident occurs, initial emergency care is initiated, such as providing first aid materials and further care by medical professionals. The cause is then investigated, and plant-specific actions such as awareness training sessions and technical measures are derived and implemented as a result. The effectiveness of implemented actions is reviewed in internal audits and site inspections on a sample basis and actions are adjusted if necessary.

Work-life balance: Creating attractive working conditions and a safe and balanced working environment is particularly important to the Schaeffler Group as a global family business. This includes family-friendly arrangements to help achieve a good work-life balance. Prerequisites for working from anywhere are in place at all of the company's regions. The formal regulations are specified by the applicable regional and/or local guidelines and laws.

In Germany for instance, the Schaeffler Group follows the approach of designing flexible hybrid working models based on work tasks, business requirements, and personal preferences.

The relevant managers are responsible for implementing these hybrid working models. All managers and employees have access to a written guide with suggestions for practical implementation.

In addition, all employees can utilize a workshop format to jointly develop a team working model. This includes, for example, job-sharing models, which are possible after individual coordination with a manager. A full-time position is split between two people who then share the responsibilities in close cooperation. To accommodate individual circumstances such as caring for family members, the company enables all employees in Germany to reduce their working hours with an income adjustment. Among the important elements of reviewing the effectiveness of the actions is the direct dialog of HR business partners with management and employees.

Adequate wages: The Schaeffler Group aims for adequate wages for all employees in accordance with the internal compensation policy. Since rules differ around the world, remuneration is structured on a country-by-country basis. Nearly all employees at the company's locations in Germany are covered by either remuneration requirements under collective agreements or by remuneration systems agreed on with the works councils via a company agreement. Remuneration arrangements under collective agreements also comply with the legally guaranteed minimum wage in the relevant labor markets as well as principles such as equal pay. The Schaeffler Group has an objective assessment system that is used as a basis for setting remuneration in order to counteract discrimination. As established in the Schaeffler Code of Conduct, the company advocates an appreciative and unprejudiced working environment. Overall, the company is aiming for a market-oriented and performance-based remuneration structure with harmonized, digitalized, and documented processes. The assessment of effectiveness is monitored using specific metrics (see section ESRS S1-10).

(Helping to) shape the transformation process: The transition to electric mobility is also transforming the workplace. The Schaeffler Group strives to work with workers' representatives to shape the necessary structural adjustments and identify balanced solutions in order to minimize negative impacts on employees that have been identified as material. Strategic workforce planning enables the company to generate precise forecasts of the future requirements for jobs covering the next five years and recognizing changes in qualification needs early on. Based on this, we can derive targeted actions such as reskilling and retraining to prepare employees for the requirements of the transformation process in the best possible manner.

Any job cuts necessary in connection with the transformation process are made in the most socially responsible manner possible via partial retirement arrangements and mutually agreed severance agreements. Internal relocation and natural employee turnover are used as tools as well. Effectiveness of the measures is reviewed by individual discussions and in the dialog between employees and managers.

Equal treatment and opportunities for all

Training and skills development: The Schaeffler Group stands for a culture of lifelong learning. Appropriately qualified employees are a key success factor in global competition. In light of this, the Schaeffler Group extensively promotes employee training offerings.

These offerings are developed worldwide by Schaeffler Academy in cooperation with technical departments and selected external partners and are offered centrally via existing learning systems. A variety of training possibilities with defined learning paths are available there in order to accommodate the different experiences and backgrounds of the various target groups. These include both digital training offerings and classroom training sessions made available globally via the Learning Management System (LMS). Examples are the Fit4Production, Fit4Mechatronics, Fit4Sustainability, and Fit4Digital strategic development programs and the Qualification Program Electrification as well as professional qualification programs for purchasing and sales employees. Especially the Fit4Sustainability development program includes training courses in various sustainability areas along the ESG dimensions. These courses are designed to raise employees' awareness of the various topics and support them in contributing to a sustainable transformation.

Due to the merger of Vitesco Technologies Group AG into Schaeffler AG, the company is currently using two learning systems. A transition to one uniform learning system is planned for the future. The formal learning activities offered and provided via the learning systems are reviewed in a satisfaction survey immediately following training and an effectiveness check at a later date.

Additionally, there is a performance & goal management process in place that is designed to promote employee performance and continuing development. In this transparent process, managers and employees agree on individual goals and discuss each other's conduct as well as the technical skills required for a career within the Schaeffler Group. Moreover, development measures are discussed that are relevant both for the current position as well as for the potential next development step. In this context, the company follows its learning and development scheme, which is based on three core areas: (1) learning in practice, for instance through projects, tasks, and job shadowing, (2) learning from others via mutual feedback, mentoring, and coaching, and (3) formal learning through training sessions and courses. Effectiveness is assessed individually based on agreed targets and feedback as well as organizationally by analyzing completion rates and performance evaluations.

Promoting diversity: The Schaeffler Group has various global measures in place to promote equal rights, equal opportunities, and a sense of belonging of its employees. This is aimed at ensuring that all employees feel appreciated and can contribute their experiences and ideas as well as their personality.

In 2018, the company founded its global DE&I Council in order to institutionalize diversity, equity, and inclusion at the top of the company and to strategically embed, in the company, the concept of diversity, raise its visibility, and link differing perspectives in the Schaeffler Group. Along with members of the Schaeffler Group Executive Board, the Council also includes top managers from all areas of the company.

The Schaeffler Group has numerous employee communities to actively foster an inclusive and safe working environment:

- "Women@Schaeffler" is aimed at promoting sharing of information and mutual support by women within the company and aims to permanently strengthen the career prospects of women by targeted mentoring programs and by enhancing their personal and technical capabilities.
- Under "Pride@Schaeffler", the company is committed to an inclusive, safe, and appreciative working environment. Priorities are creating awareness and educational programs, as well as promoting mental health.
- "ABLE" (Abilities Beyond Limits & Expectations) actively fosters inclusive social interaction and consideration of the needs of people with different abilities and individual experiences in order to support accessible, equitable participation in the workplace.
- "Working Parents" raises awareness of the challenges with respect to work-life balance and develops supportive solutions jointly with the company.
- "Cultural@Schaeffler" is designed to promote intercultural dialog and interaction between new, non-native-speaking and international employees as well as long-standing employees.
- "AGES@Schaeffler" is aimed at supporting dialog and collaboration across generations and cultures in order to ensure respectful and inclusive interaction.

Voluntary trainings on the topics of "Diversity & Inclusion Basics & Competencies", "Foundations of D, E&I", and "Unconscious Biases" represent further measures offered to promote and address specifically awareness of inclusion, discrimination risks, and a generally appreciative and respectful interaction with one another and to highlight the importance of these aspects. In 2025, these options were supported by communication measures and campaigns around International Women's Day, International Men's Day, and Global Diversity Week, amongst others. Additionally, the "EmpowHER" initiative aims to drive development of female talent and expand the pool of potential female managers. Among the important elements of reviewing the effectiveness of these actions are surveys conducted regularly (see section ESRS S1-2).

Other work-related rights

Solution to address forced and child labor: The Schaeffler Group's Human Rights Compliance Policy sets out fundamental principles whose respective implementation addresses the issues of forced and child labor. In order to address the issue of forced labor identified in both the double materiality assessment and in the risk analysis performed in accordance with the LkSG as part of the Human Rights CMS, the Schaeffler Group strictly prohibits its employees and subcontractors from using forced labor and from participating in any form of forced labor. Employees are free to terminate their employment at any time, subject to contractual notice periods. Destroying, withholding, or otherwise denying access to employees' identity documents or immigration documents such as passports or driver's licenses is not permitted.

In addition, the Schaeffler Group publishes job opportunities in a format and language accessible by applicants. All relevant information about key working conditions – particularly salary, terms and conditions of housing, and costs that might be incurred by the employees – has to be set out transparently during the hiring process. The Schaeffler Group is also working on removing language barriers in employment contracts and operating instructions.

The Schaeffler Group does not tolerate child labor. In general, people who are still subject to compulsory school attendance may not be employed. Hiring children below the age of 15 is not permitted either. In addition, employees under the age of 18 must not be assigned to hazardous tasks. To this end, it has to be ensured that proof of age has been obtained and that this fact is documented.

For incidents in the company's own operations, the Schaeffler Group deals with the specific issue as part of its complaints procedure. The company works with the affected location to search for a solution that will remediate the situation. The Human Rights CMS requires the actions to correctly address the impacts identified as material and the desired target of the relevant action to be achieved.

Data protection: Protecting personal rights is a high priority for the Schaeffler Group and is part of the Schaeffler Code of Conduct. Data belonging to business partners and employees is to be processed with care and sensitivity. The objective is to have processes complying with legal requirements regarding data protection. Schaeffler AG's data protection officer plays a key management role in this. This officer is assigned to the Compliance & Corporate Security department and, therefore, comes under the responsibility of the CEO. The Schaeffler Group has a

security by design process that is based on national and international standards and already takes data security into account during the early phase of system and application development. Protective measures are integrated into the process and tracked based on the relevant protection requirements. The company regularly performs risk assessments and evaluations to review effectiveness.

Targets [S1-5]

Decent working conditions

During the year, the Board of Managing Directors of Schaeffler AG established a groupwide target requiring that, starting in 2025 and initially up to and including 2030, at least 95% of the company's own workforce, apprentices, interns, and undergraduate and graduate students take the mandatory online human rights training (Human Rights @ Schaeffler Basic Training) that is required to be completed each year. Since the participation rate amounted to 97.9% in 2025, the target was met. The target is designed to increase awareness of human rights. Data is collected based on the Schaeffler Academy Learning Management Systems. Progress is reviewed monthly and is reported to the Board of Managing Directors and the audit committee of the Supervisory Board as at each quarter-end of the year.

Occupational safety

During the year, the Board of Managing Directors of Schaeffler AG set a groupwide target of reducing the lost-time injury rate (LTIR) to below 1.0 by 2030. The LTIR for 2025 was 1.46, which is being used as the baseline value. The Schaeffler Group strives to continuously reduce the lost-time injury rate (LTIR) in order to minimize the significant negative impacts of work-related accidents on the health and safety of its employees. The LTIR is defined as work-related accidents with at least one lost day per 1 million hours worked. Accidents are considered work-related if medical treatment was provided and they are directly connected to work; for better comparability, national deviations are not taken into account. The target was established taking into account prior year trends and benchmarks. Progress is reviewed monthly and is communicated to the Board of Managing Directors and the level of management below the Board of Managing Directors. The focus is especially on raising awareness of aspects relevant to occupational safety. Additionally, derived projects are coordinated within the E, H & S (Environment, Health & Safety) committee of the Group Works Council, for instance.

Along with employees, the LTIR also considers apprentices, interns, and undergraduate and graduate students writing an academic paper. The subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the merger, are also included starting this year.

Disclosure of targets on equal treatment and opportunities

Additionally, in 2025, the Schaeffler AG Board of Managing Directors has set a target of increasing the percentage of women in the Schaeffler Group's top management to 25% by 2030. In 2025, this percentage was 19.2% (excluding percentage of women in the U.S.). This percentage is used as the baseline value starting in 2025. The Schaeffler Group has implemented concrete actions to promote equal treatment and opportunities for all employees. The focus here is on the "EmpowHER" initiative (see section ESRS S1-4).

More information in the Corporate governance declaration including corporate governance report on pp. i2 et seq.

Qualification

In 2025, the Board of Managing Directors established a target of increasing the rate of participation in voluntary learning options to at least 85% by 2030. Additionally, the Schaeffler AG Supervisory Board has linked part of the short-term variable remuneration to the target of achieving a participation rate of at least 68% in 2025. The rate amounted to 81.6% in 2025, considerably exceeding the interim STB target. This rate is used as the baseline value starting in 2025. The participation rate shows how many employees have participated in voluntary learning options, expressed as a percentage of the total number of employees. The target applies exclusively to voluntary learning options in order to focus on active continuing education and avoid overlap with regular mandatory training sessions.

In their role as Schaeffler AG Supervisory Board members, employee representatives are involved in and/or briefed on the process of setting targets as well as tracking the related performance and, where applicable, improving such performance.

Metrics

To determine the number of employees and the types of contracts, the Schaeffler Group's internal employee categories in the existing globally available reporting system were mapped to the ESRS requirements and the relevant reports produced using this system. This applies to the information on number of employees by gender and contract type, employees leaving, and age, and for all metrics with employee headcount as the denominator and/or population. Complying with the ESRS requirement necessitates clearly differentiating between employment and training contracts in particular. The evaluation of whether the focus is on training or education was based on the internal employee categories applicable globally. Which of these categories an individual is assigned to was decided locally. As a result, apprentices and interns, for example, are not considered employees under the ESRS definition of that term and are therefore not part of the company's own workforce.

Characteristics of the company's employees [S1-6]

Information on number of employees by gender

	12/31/2025 [1]	12/31/2024 [1]	2025	2024
Headcount	End of reporting period			average
Gender				
Male	82,749	85,564	84,054	70,149
Female	28,902	30,373	29,551	22,242
Other	0	0	0	0
Not reported	0	0	0	0
Total number of employees	111,651	115,937	113,605	92,931

[1] Numbers of employees shown below always refer to numbers as at the end of the reporting period except where numbers are explicitly stated to be averages.

Information on countries with significant number [1] of employees

	2025	2024
Headcount		Employees
Country		
Germany	34,121	35,529
China	18,894	18,946

[1] Per ESRS defined as countries where the company has at least 50 employees representing at least 10% of its total number of employees.

Presentation of information on employees by contract type, broken down by gender

	2025					2024				
Headcount	Female	Male	Other	Not reported	Total	Female	Male	Other	Not reported	Total
Number of employees	28,902	82,749	0	0	111,651	30,373	85,564	0	0	115,937
Number of permanent employees	25,609	74,822	0	0	100,431	26,887	77,376	0	0	104,263
Number of temporary employees	3,084	7,605	0	0	10,689	3,285	7,839	0	0	11,124
Number of non-guaranteed hours employees	209	322	0	0	531	201	349	0	0	550

Employees are largely employed on a permanent basis. Examples of reasons for temporary contracts include capacity peaks, special projects, and replacements due to illness and/or parental leave; the percentage of temporary employees was 9.6% in 2025 (prior year: 9.6%).

Information on employee turnover

	Unit	2025	2024
Number of employees who have left the company	Number	12,185	9,866
Rate of employee turnover as a percentage of the total number of employees	%	10.7	10.7

Employee turnover was calculated based on the average number of employees. It amounts to 10.7% (prior year: 10.7%) and, along with employee-initiated terminations, was mainly due to retirements, employer-initiated terminations, and the scheduled terminations of employees hired on a temporary basis.

Collective bargaining coverage and social dialog [S1-8]

The percentage of employees in the European Economic Area covered by collective bargaining agreements for 2025 is 89.3%. The percentage of employees of employers that are bound by collective bargaining agreements, including employees not covered by collective bargaining agreements, is 96,5% (prior year: 97.3%).

Collective bargaining coverage and social dialog reported at country level [1]

	Collective bargaining coverage	Social dialog
Coverage rate	Employees – EEA	Workplace representation (EEA only)
80 – 100%	Germany	Germany

[1] For countries in the EEA with > 50 employees who represent > 10% of the total.

Collective bargaining coverage was calculated based on whether employees were employed by locations that are bound by collective bargaining agreements. Collective bargaining agreements in the European Economic Area apply either to certain collective bargaining regions or to individual locations. Since the Schaeffler Group has a European works council, all employees in Europe are covered by workers' representatives.

Training and skills development [S1-13]

Training activities are organized and recorded both centrally and locally. Subsequent consolidation and linking with the relevant employee data as well as calculation of relevant datapoints are performed centrally. In accordance with ESRS, the company only includes those training activities it performs to maintain and/or upgrade its own employee's skills and knowledge. Brief trainings and instructions are not included.

Average number of training hours per employee, broken down by gender

	Hours/employee
Total	10.8
Male	11.0
Female	10.3
Other	0
Not reported	0

In addition, the Schaeffler Group measures the percentage of employees who have completed at least one voluntary training. This percentage amounts to 81.6% for the reporting period. Training courses that are mandatory, for example, due to legal or industry requirements, are excluded from the calculation to achieve a control effect independent of external regulatory requirements that cannot be influenced.

Health and safety [S1-14]

The percentage of employees covered by the ISO 45001 certification of the occupational health and safety management system in 2025 is 91.3% (prior year: 92.2%).

Local and regional coordinators enter work-related accidents into the accident data base, where the accidents are classified; recordable work-related accidents[1] are derived from these classifications. Accidents are considered recordable and work-related if medical treatment was provided and they are directly connected with the work activity. The number of employees' recordable work-related accidents during the reporting period is 927 (prior year: 769), representing a rate of 4.7 (prior year: 4.8) work-related accidents per 1 million hours worked. These figures only include accidents considered work-related under the general ESRS definition. Accidents considered work-related under deviating national requirements are not included in these metrics due to limited comparability both between the company's locations and externally with other companies. Accidents resulting in at least one lost day are relevant to the LTIR; as is the case for the above target, subsidiaries of Vitesco Technologies Group AG, which has been integrated as a result of the merger, are reflected starting in 2025. Along with employees, the metric includes apprentices, interns, and undergraduate and graduate students writing an academic paper. The LTIR for the year amounts to 1.46 (prior year: 1.6). There were no fatalities of workers of the Schaeffler Group as a result of work-related injuries. Furthermore, the Schaeffler Group is not aware of any fatalities of workers as a result of work-related illnesses. However, there was a fatality of a worker in the upstream value chain who was working at a Schaeffler Group location. There is no indication that the fatality was work-related.

Diversity [S1-9]

For the disclosure on gender equality at top management level, top management is defined as the two levels of management immediately below the Board of Managing Directors.

Gender distribution at top management level

	2025	2024	2025	2024
	Number of employees		%	
Number of female employees at top management level	183	179	19.4	19.8
Number of male employees at top management level	759	723	80.6	80.2
Number of other employees at top management level	0	0	0	0
Number of employees with gender not reported at top management level	0	0	0	0

Distribution of employees by age group

	2025	2024	2025	2024
	Number of employees		%	
Employees under 30 years old	16,347	17,304	14.6	14.9
Employees 30 – 50 years old	69,467	72,002	62.2	62.1
Employees over 50 years old	25,837	26,631	23.1	23.0

[1] In accordance with the ESRS definition, this is not the number of accidents recordable under local legal requirements but rather of accidents recordable for reporting purposes under ESRS.

Adequate wages and remuneration metrics [S1-10/S1-16]

The three remuneration metrics required by ESRS were determined and published for 2025. The three metrics are:

1. Adequate wages
2. Unadjusted gender pay gap
3. Annual total remuneration ratio

Due to the complex system landscapes and the resulting manual collection and consolidation of data, the metrics were calculated as at the defined key date of September 30, 2025 ("calculation date"). All employees of the Schaeffler Group are considered as at the calculation date. The approach described below with respect to methodology, data collection, consolidation, and calculation of the three remuneration metrics applies equally to all employees as at the calculation date. The Schaeffler Group has conducted a global data collection process at the individual person level to obtain the relevant remuneration components underlying calculation of these metrics. To obtain relevant remuneration components per employee, this process was conducted within each of the Schaeffler regions and countries the company does business in; at the corporate level, the data was then consolidated and validated for consistency and larger deviations and the metrics calculated. These metrics were generally determined based on every employee's annual target pay for each remuneration component, excluding the benefits in kind discussed below, as at the defined calculation date. One-time payments and recurring allowances paid before September 30, 2025, were included as actual payments and, where applicable, manually extrapolated to the last quarter in order to reflect the full year 2025. There are no indications that collecting the data as at the end of the reporting period would lead to significantly different results. However, slight deviations cannot be ruled out as data was collected manually and was based on target remuneration.

Additional benefits in kind, such as insurance and pension benefits or amounts for company cars, which are relevant to the unadjusted gender pay gap under ESRS, were not reflected in calculating the unadjusted gender pay gap. These can only be determined with disproportionate effort due to varying system landscapes and local market conditions. However, the Schaeffler Group offers such additional benefits in kind in accordance with global and local internal policies that do not provide for differences in the treatment of female and male employees. These benefits in kind were not included based on the assumption that their omission does not have any significant impact on the key information provided by the unadjusted gender pay gap, which was confirmed on a sample basis. Slight deviations cannot be ruled out.

The Schaeffler Group defines the applicable benchmark for **adequate wages** in terms of a country's statutory minimum wage. Where a country has several statutory minimum wages, these amounts are taken into account. For countries without a statutory minimum wage, the company uses either 50% of the gross average wage or 60% of the median wage in accordance with ESRS standards. The statutory minimum wage of an economically comparable country is used as a benchmark where these amounts are not available. The sum of the fixed annual base pay and guaranteed annual allowances was used to represent employee wages.

No Schaeffler Group employees paid less than the benchmark for adequate wages defined above were identified during the year.

The **unadjusted gender pay gap** illustrates the gap in the average pay of women and men, albeit without adjusting for structural factors such as age, job family, grading level, performance, etc. As such, the unadjusted gender pay gap does not provide any information about unequal pay for work of equal value. The gender pay gap is calculated based on hourly wage. It consists of the annual base pay, guaranteed fixed payments, short-term and long-term variable components, profit-sharing, one-time payments, other allowances, as well as overtime pay and shift premiums. This annual amount is divided by the contractually agreed annual working hours per employee. The company then calculates the average hourly wage of men and women for each country to determine, in a first step, the unadjusted gender pay gap per country. In a second step, it calculates the Schaeffler Group's weighted unadjusted gender pay gap, taking into account the number of employees per country in relation to all employees of the Schaeffler Group.

The Schaeffler Group's unadjusted global gender pay gap is 15.2% (prior year: 16.1%). This corresponds to the difference of average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees.

The **annual total remuneration ratio** is based on the median of the annual total remuneration of all employees and the annual total remuneration of the highest paid individual. It consists of the annual base pay, guaranteed fixed payments, short-term and long-term variable components, profit-sharing, one-time payments, other allowances, as well as overtime pay and shift premiums. Purchasing power parity is applied to take into account different currencies and differences in the value of money and to be able to compare them between countries. This enables the standard of living to be compared more accurately across countries by taking into account the relative cost of living and inflation rates. The median annual total remuneration for all employees (excluding the highest-paid individual) and the corresponding employee are determined from the total population. The highest paid individual is the CEO of Schaeffler AG.

The ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration for all Schaeffler Group employees is 104:1 (prior year: 68:1). The change from the prior year is primarily attributable to the increase in the remuneration of the CEO of Schaeffler AG. In connection with the merger of Vitesco Technologies Group AG into Schaeffler AG, the level of remuneration of the Managing Directors was analyzed by an external independent remuneration consultant. Based on this analysis, the Supervisory Board decided to adjust the level of remuneration to the changed corporate structure starting in 2025.

Incidents, complaints and severe human rights impacts [S1-17]

Eight (prior year: four) incidents of discrimination, including harassment, were reported in 2025. An additional 65 (prior year: 29) further human rights complaints were raised via channels for the company's own workforce to raise concerns. These included no (prior year: one) human rights incident connected to the company's own workforce that is classified as severe and represents a case of non-respect of the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

Since internal guidelines require all allegations of human rights violations to be entered into the incident management database regardless of the reporting channel, this database is considered the relevant source for reporting purposes. To ensure that all incidents are reported to the central unit on a timely basis, confirmations are requested from regional contacts on a quarterly basis to close potential reporting gaps.

During the reporting period, no fines, sanctions, or compensation payments related to the aforementioned human rights incidents and complaints were reported. This was confirmed by a survey conducted by Corporate Compliance & Corporate Security with regional contacts.

On a quarterly basis, the company reviews the National Contact Points for OECD Multinational Enterprises for any reports received; no such reports were received during the reporting period.

Workers in the value chain [ESRS S2]

Impacts, risks, and opportunities (IROs) [SBM-3]

The Schaeffler Group maintains a comprehensive network of suppliers in various countries. Due to the complex supply chain, the company is subject to a certain exposure to human rights violations. Material impacts related to workers in the company's upstream and downstream value chain were identified in the materiality assessment. They arise from operations and the underlying business model and are set out in the following overview. [1]

The workers listed below tend to be exposed to an increased risk of human rights violations:

- Workers employed in extracting conflict minerals like gold, tantalum, tin, and tungsten and critical raw materials such as aluminum, copper, mica, and palladium. This also applies to individuals involved in refining and manufacturing materials such as plastics. The EU guidelines for the identification of conflict-affected and high-risk areas define these as areas in a state of armed conflict or fragile post-conflict, as well as areas witnessing weak or non-existing governance and security, such as failed states. Additionally, they are characterized by systematic violations of international law, including human rights abuses. The actual negative impacts identified as material represent individual incidents that have occurred in the company's upstream value chain.
- Furthermore, workers engaged in processing or treating raw materials or in smelting intermediate products, workers in the international shipping and logistics industry, and workers in the downstream value chain, e.g., in assembly work in automobile production, can also be affected by poor working conditions or working conditions in violation of human rights.
- These workers also include marginalized groups and rights holders who are particularly exposed to discrimination due to their special position in society and in its structures and whose rights are therefore particularly worthy of protection. They also include trade union members who may potentially be put at a disadvantage.
- Workers working at the company's location but not part of the company's own workforce are covered by ESRS S1. Workers working in the operations of a joint venture or special purpose vehicle involving the reporting company are not affected by the material impacts identified in the materiality assessment.

Impacts and risks associated with workers in the value chain

WORKING CONDITIONS

● **Poor working conditions of value chain workers**
(Actual and potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

The Schaeffler Group has potential negative impacts on value chain workers related to working conditions in the upstream and downstream value chain.

Impacts may most notably arise in the upstream value chain, i.e., during extraction and processing of raw materials, production of intermediate products and components, and as part of transportation activities.

There are risks including risks to workers' health and safety when handling hazardous chemicals and heavy machinery. Value chain workers may also face inadequate wages, barriers to collective bargaining, and a lack of unionization. Mining in particular might be carried out in countries with weak jurisdictions, where there are few laws and regulations, or where the authorities have only limited respect for human rights.

There are also potential negative impacts on working conditions in the downstream value chain, e.g., at customers and in logistics and transportation processes. This may lead to impacts on health and safety arising from the handling of heavy machinery and hazardous materials. Workers may also be exposed to precarious working conditions, such as excessive working hours, obstacles to collective bargaining, and a low level of unionization in certain countries.

In addition, actual negative impacts with respect to adequate wages and working hours were found during audits at suppliers.

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

● **Discriminatory practices and harassment of value chain workers**
(Actual and potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

Potential negative impacts on value chain workers related to equal treatment and opportunities arise from the risk of discrimination, (sexual) harassment in the workplace, and gender inequality. Especially women may be affected by this, but agency workers may also increasingly be exposed to discriminatory practices.

These impacts can most notably arise at direct and indirect business partners during extraction and processing of raw materials and production of intermediate products and components, as well as at customers in the downstream value chain.

In addition, actual negative impacts on workers with respect to age discrimination and discrimination against migrant workers were identified during audits at direct suppliers.

OTHER WORK-RELATED RIGHTS

● **Violation of other work-related rights of value chain workers**
(Actual and potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

Potential negative impacts on value chain workers arise from the risk of violations of other work-related rights, as activities performed there may take place in countries where child and forced labor are widespread. The risk is particularly high when employees are placed through labor agencies.

These impacts can most notably arise at direct and indirect business partners during extraction and processing of raw materials and production of intermediate products and components, as well as at customers in the downstream value chain.

In addition, actual negative impacts on value chain workers were identified during audits at direct suppliers. An example is a supplier who required migrant workers to pay recruiting fees.

Material potential negative impacts on working conditions, equal treatment and equal opportunities, and other work-related rights were identified, particularly in sourcing and extracting raw materials and processing them in the international logistics chains. The risk analyses regularly performed in the value chain as part of the Human Rights CMS as well as the risks identified and actual violations found in the analyses form the basis for deriving appropriate actions. These actions can be taken into account when enhancing strategies and business models. Under its **“Sustainability & Infrastructure”** subprogram, the Schaeffler Group puts a specific focus on embedding environmental and social responsibility in the company’s value chain. It aims to make its supplier network more transparent in order to identify material potential impacts at an early stage and minimize human rights violations through appropriate remedial actions. The company strives to meet the requirements and expectations of its customers and other stakeholders in these areas. The Schaeffler Group expects the same commitment from its suppliers. Additionally, the Schaeffler Group has identified a need to adjust its strategy and management systems with respect to the deeper supply chain.

As part of this, the Schaeffler Group has updated the Critical Raw Materials Analysis for identifying critical raw materials in its supply chains in 2025. The company has assessed the environmental, human rights, and governance risks arising in the extraction of raw materials in the upstream supply chain (also referred to as “Tier n supply chain” below). In an abstract risk assessment, more than 30 raw materials were assessed with respect to 35 sustainability criteria. In 2025, the assessment focused once more especially on mining companies in the main countries where these commodities are mined. With respect to affected workers, the assessment most notably identified risks relating to collective bargaining, child and forced labor, occupational safety, and discrimination. Based on the results of the Critical Raw Materials Analysis, potential approaches for specific risk assessments and actions were discussed with external stakeholders such as civil society organizations and scientists. The company also performs an analysis for purposes of prioritizing raw materials supply chains; its results are intended to form the basis for expanding a Tier n due diligence system.

Policies [S2-1]

To the Schaeffler Group, respecting human rights, including workers’ rights, is an important aspect of all its business activities. The company also expects the same of its business partners.

This also includes that they are to operate in alignment with the following global standards:

- the UN Guiding Principles on Business and Human Rights,
- the OECD Guidelines on Responsible Business Conduct,
- the UN International Bill of Human Rights, and
- the core labor standards of the ILO.

Additionally, the Schaeffler Group is a signatory to the UN Global Compact and is committed to its ten principles.

The Schaeffler Group has implemented various policies and policy statements in order to address its material impacts on value chain workers with respect to working conditions, equal treatment and equal opportunities, as well as other work-related rights. These include the **Business Partner Code of Conduct**, the **Statement on Respect for Human Rights**, the **Human Rights Compliance Policy**, and the **Policy Statement on Human Trafficking**. In this manner, the Schaeffler Group aims to help create good working conditions and strengthen diversity and inclusion as well as compliance with ethical principles and human and social rights standards.

Business Partner Code of Conduct

The Schaeffler Group has committed to standards and minimum requirements for its own business conduct and expects its partners in the supply chain to meet these as well. Regulations

regarding acceptance of the Business Partner Code of Conduct by suppliers of production materials and non-production materials are in place. In this Code of Conduct, the Schaeffler Group calls on its business partners, according to their size and business activities, to make a best and risk-based effort to implement the standards and minimum requirements set out in the Business Partner Code of Conduct in their operations and address them along their supply chain.

The Business Partner Code of Conduct applies to all natural or legal persons who sell or provide products, processes, or services to the Schaeffler Group, either directly or via third parties, e.g., affiliated companies, distribution partners, subcontractors, and agents.

Regarding human rights and working conditions, the Schaeffler Group expects the following from its business partners:

- respect for human rights in accordance with recognized international standards and guidelines,
- prohibition of child labor and protection of young workers,
- prohibition of forced labor and human trafficking,
- ethical recruiting of workers,
- promotion of health and safety,
- respect of freedom of association and right to collective bargaining,
- prohibition of discrimination and promotion of diversity, and
- promotion of adequate compensation and working hours.

The Business Partner Code of Conduct was approved by the Schaeffler Group Executive Board. The CEO of Schaeffler AG represents the most senior level accountable for its implementation. The Business Partner Code of Conduct was adopted taking into account internal stakeholders. The company did not engage with any other stakeholders, such as workers in the value chain, in 2025. The Business Partner Code of Conduct has been made publicly available on the Schaeffler Group's corporate website.

The following sets out two fundamental documents and one policy. They form part of the Human Rights CMS, in which the processes relating to preventive measures and remedial actions in case of material negative impacts on workers are set out (see section ESRS S1-3).

Statement on Respect for Human Rights

The Statement on Respect for Human Rights sets out the Schaeffler Group's human rights strategy taking into account the requirements of the German LkSG (see section ESRS S1-1). Along with the company's own employees, affected communities, and indigenous peoples, the Statement also includes workers in the supply chain in the group of people potentially affected. The Statement is updated on a continuous basis.

Human Rights Compliance Policy

The policy is part of the Human Rights CMS and defines minimum requirements binding for all employees regarding compliance with national and international requirements and standards with respect to human rights due diligence within the Schaeffler Group and the supply chain (see section ESRS S1-1). With its Human Rights CMS, the Schaeffler Group is actively preventing violations of human rights in the supply chain. As part of the Human Rights CMS, actions are defined that are designed to help prevent risks. If it becomes apparent that the Schaeffler Group's business activities contribute to actual human rights violations or are indirectly linked to them, the company endeavors to eliminate and remediate them. With respect to business partners, the company reserves the right to respond appropriately, ranging from requesting that the violation be eliminated immediately to taking legal action and terminating the business relationship.

Policy Statement on Human Trafficking

The Schaeffler Group uses this Policy Statement to position itself externally and set out the fundamental principles by which the Schaeffler Group aims to prevent human trafficking, modern slavery, and forced labor - including fraudulent practices during the recruitment of employees (see section ESRS S1-1).

Processes for engaging with value chain workers [S2-2]

Along with the interests of its own workforce, the Schaeffler Group would like to also consider, in its due diligence processes, the interests of workers in its upstream and downstream value chain. This took the form of a multi-stakeholder approach in 2025. The Schaeffler Stakeholder Dialog is one of the components of this approach (see section ESRS S1-2). During the reporting period, this dialog focused on issues including the question of how risks in complex raw materials supply chains can be addressed.

In order to promote collaboration with stakeholders and develop appropriate risk mitigation actions, the Schaeffler Group also actively participates in sector dialogs and initiatives and is a member of various organizations. For example, the Schaeffler Group participates in the **Sector Dialogue of the Automotive Industry**, a multi-stakeholder forum in which representatives of companies, associations, unions, civil society, and the federal government have come together to jointly address structural challenges and contribute to improving the human rights situation along the global supply and value chains of the German automotive industry. The Sector Dialogue is organized under the auspices of the UN Global Compact Network Germany e. V. Specifically, Schaeffler is regularly involved in **Sector Dialogue initiatives**, such as analyzing certifications for critical raw materials (see section ESRS S2-4).

The Schaeffler Group is a member of the Responsible Minerals Initiative (RMI) and has been involved with the Initiative for Responsible Mining Assurance (IRMA) since 2021 (see section ESRS S2-4). IRMA independently assesses the performance of individual mines using a multi-stakeholder and consensus-based approach which focuses on reducing negative social and environmental impacts. A particular focus is on effectively engaging with affected workers and the population and groups affected by mining activities. A continuous dialog takes place via IRMA.

To review effectiveness, the company evaluates annually, during the action planning phase, whether the processes described above address the impacts identified as material and whether the defined target is achieved. Additionally, a Stakeholder Engagement Guideline defining the principles and objectives for uniform stakeholder involvement has been developed with the aim of having these integrated in all human rights and environmental due diligence processes by the relevant process coordinators.

Processes to remediate negative impacts and channels for raising concerns [S2-3]

The Schaeffler Group, a company with international operations, cannot rule out material negative impacts on the environment and people in the value chain. However, the Schaeffler Group aims to prevent and/or avoid them along the value chain. The Schaeffler Group also expects the same of its business partners. Among the key elements of the Human Rights CMS is the annual risk analysis in accordance with the LkSG described in detail in section ESRS S1-3. This analysis involves capturing human rights-related and environmental risks and violations resulting from the company's own operations or those of its business partners. In 2025, about 50,000 suppliers were reviewed and about 1,500 suppliers with risks were identified. Pollution and a lack of instructions provided to security personnel were identified as high-priority risks in the supply chain. The preventive measures and remedial actions and their effectiveness are discussed in section ESRS S2-4. The Schaeffler Group expects its suppliers to follow a similar approach.

Grievance mechanism and whistleblowing system

Like its employees and external persons, the Schaeffler Group also provides value chain workers with access to a grievance system consisting of various reporting channels including an electronic whistleblowing system. Section ESRS S1-2 contains a detailed description of this system along with information on monitoring and effectiveness. Information on the availability of the whistleblowing system and the various reporting channels can be found in the Guideline on the Whistleblowing System, the Schaeffler Code of Conduct, and the Business Partner Code of Conduct.

The Schaeffler Group's business partners are requested, via the Business Partner Code of Conduct, to make their workers as well as their partners in the value chain and potentially affected stakeholders aware of the Schaeffler Group channels available for reporting misconduct.

Business partners are also expected to establish a grievance mechanism in line with UN Guiding Principles available to rights holders potentially affected by their business activities, or at a minimum support or recommend an existing external grievance mechanism. The use of the whistleblowing system by supply chain workers in 2025 has provided the Schaeffler Group with evidence that it is effective. Additionally, the Schaeffler Group makes arrangements to protect potential parties involved against disadvantage and retaliation or punishment. Protecting rights holders is of the highest priority in all investigations of reports. The guidelines and requirements designed to ensure this are described in section ESRS G1-1.

Actions [S2-4]

Various actions were implemented during the year to address the material impacts on value chain workers as well as the risks to the Schaeffler Group. To this end, the Schaeffler Group relied on various fundamental documents, policies (see section ESRS S1-1), and management systems (see section ESRS S1-3) covering aspects such as procurement (see section ESRS S2-1) and data protection. Where business relations have since been terminated, any impacts on value chain workers were not considered. Unless stated otherwise, annual reviews of effectiveness involve evaluating whether the actions address the material impacts and whether the target of the action is achieved. Additionally, all actions are considered ongoing.

Appropriate preventive measures and remedial actions are defined and implemented as part of the **Human Rights CMS** (see section ESRS S2-3). The starting point for deriving appropriate actions are risks that were identified in the risk analysis in accordance with the LkSG and publicly available reports, the grievance mechanism (see section ESRS S1-3), and audits. The following standard preventive measures are designed to ensure respect for human rights in the company's own operations and in the supply chain as well as to avoid violations of occupational health and safety regulations. The standard measures are communicated to suppliers in writing and explained in discussions. The company also offers online training sessions on specific topics to explain the risk mitigation measures to suppliers. Additionally, the company has a public supplier landing page primarily directed at its suppliers. Key guidelines and sample contracts including general terms and conditions, general conditions of purchase, and project contracts can be downloaded from this page, as can information on supplier training sessions and training documents.

Responsible sourcing of conflict materials such as tin, tungsten, tantalum, and gold is an important issue for the Schaeffler Group, as their sale can be used to finance armed conflicts and contribute to human rights violations in some countries. The company uses the Reasonable Country of Origin Inquiries (RCOI) procedure to ascertain from which regions Tier n suppliers source components with conflict materials. Targeted measures can be initiated in the value chain as needed to avoid material potential negative impacts related to the working conditions and other work-related rights of workers in the upstream value chain. The company's approach corresponds to the OECD Due Diligence Five Steps Framework. As a final step, the Schaeffler Group reserves the right to not enter into any new contracts with suppliers appearing suspicious.

The Schaeffler Group conducts an annual survey in which its direct suppliers are requested to disclose whether their smelting plants are certified by the **RMI**. The survey is performed using standardized questionnaires issued by the RMI and includes information about the use of conflict minerals by their own suppliers. As at December 31, 2025, the smelting plants in the Tier n supply chain of direct suppliers were primarily certified by the RMI or were located outside the risk areas defined in the RCOI. The Schaeffler Group's Conflict Minerals Report summarizes the findings and is provided to its customers on request. A separate report is also available for cobalt and mica.

Certification initiatives such as the RMI or the IRMA can contribute significantly to the implementation of due diligence actions in the Tier n supply chain. As part of the execution program, the Schaeffler Group is developing an analytical framework for **quality assessments of certification systems** for critical raw materials supply chains. Such certifications, which are normally offered by multi-stakeholder and industry initiatives, cover various raw materials and supply chain stages and vary widely in quality. In light of this, the Schaeffler Group has developed a set of criteria for assessing the contribution of certification initiatives to effectively addressing material negative impacts on the environment, society, and affected communities; this set of criteria serves as the basis of the analytical framework referred to above. Based on this set of criteria, the company assesses whether and how a certification system is used in the sustainability due diligence within the supply chain. The set of criteria is used to derive actions to improve the certification system – by participating in multi-stakeholder bodies, for instance – or to initiate actions that go beyond using the certification system. The set of criteria and the actions derived from it are based on an analytical framework for assessing the suitability of voluntary sustainability standards that was developed by the Schaeffler Group and other companies and civil society organizations as part of the Sector Dialogue of the Automotive Industry. The certification systems were re-evaluated in 2025 and such re-evaluation is to be performed every one to two years.

The Schaeffler Group is currently running a **pilot project for the copper supply chain in Peru**. The company plans to realize the project in cooperation with other automotive industry companies with the support of civil society organizations as part of the Sector Dialogue of the Automotive Industry. The objective of the project is to identify opportunities for purchasing companies to positively impact the situation of affected rights holders such as mining company workers or communities affected by mining operations. This involves jointly analyzing and addressing the human rights-related and environmental risks in the upstream copper supply chain.

In 2025, the abstract risk assessment of the copper mining industry in Peru was made more specific. Moreover, consultations were held with stakeholders from civil society, science, certification systems, and international organizations in order to derive specific potential actions and assist with further planning of the project. Implementation of specific actions with the involvement of the affected rights holders is scheduled to start in 2026. The aim is to subsequently transfer the findings and experiences from the project to other raw materials supply chains and extraction contexts. The company plans to review the effectiveness of the measures once the measures have been implemented.

The Schaeffler Group actively addresses the risk of **forced labor** in its supply chain and takes a stand on this in its Business Partner Code of Conduct in order to prevent the violation of the corresponding work-related rights of supply chain workers. As a result, the company does not tolerate any forced or compulsory labor, modern slavery, involuntary or exploitative labor, human trafficking, or other forms of exploitation in its direct and indirect supply chain. To this end, the Schaeffler Group has developed a **concept for the Tier n supply chain** that is also designed to ensure that these requirements are complied with in accordance with regulations against forced labor that apply internationally. The Schaeffler Group is guided in this process by, among other things, the requirements of the U.S. Uyghur Forced Labor Prevention Act (UFLPA). To mitigate the Schaeffler Group's procurement and import risks, selected supply chains are analyzed for indications of forced labor. For incidents involving direct suppliers, the Schaeffler Group deals with the specific issue as part of its complaints procedure. The company works with the supplier to search for a solution that will remediate the situation and then reviews its implementation in an independent audit as necessary.

The Schaeffler Group is among the founding members of the **Responsible Supply Chain Initiative** (RSCI) e. V., a sustainability initiative under the auspices of the VDA. The RSCI supports its members in creating more transparency along global supply chains and in preventing potential violations of workers' rights with the help of an assessment standard specifically developed for this purpose. The Schaeffler Group actively promotes the establishment of this assessment standard by requesting selected suppliers to conduct an audit according to the RSCI standards. During RSCI audits, potential violations of labor rights can be identified through interviews. Sharing audit results with the Schaeffler Group offers the possibility to jointly develop remedial actions. The implementation and effectiveness of these measures are reviewed by a re-audit. Additionally, there is a regular exchange with other RSCI member companies in order to benefit from shared experiences. These discussions also cover sector- and country-specific risks and appropriate actions.

The Schaeffler Group continues to systematically advance sustainability in its supply chains. Since 2020, the company has been sending the standardized Sustainability Self-Assessment Questionnaire (SAQ) to selected suppliers and verifying it in order to prevent material potential negative impacts related to the working conditions, equal treatment and opportunities for all, and other work-related rights of workers in the upstream value chain. This **Sustainability Self-Assessment Questionnaire** is a joint questionnaire of the Drive Sustainability initiative which collaborates with the CSR Europe associations to improve supply chain sustainability in the automotive industry. The SAQ includes questions on sustainability management, the environment, human rights and working conditions, ethics and compliance, and responsible sourcing of raw materials. It is based on a common standard of the automotive industry on sustainability in the supply chain known as the "Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain" and was created as a standardized tool for measuring the performance of stakeholders in the automotive industry.

During the reporting period, human rights-related issues and incidents were found in the upstream value chain (see section ESRS S2 SBM-3) that involved violations of the international standards applicable to value chain workers referred to in section ESRS S1-1. No reported cases were received for the downstream value chain via the Schaeffler Self Assessment Questionnaire grievance channel.

The actions described do not result in any significant specific capital (CapEx) or operating expenditures (OpEx) and are implemented as part of regular operations and planned for 2026 by employees.

Targets [S2-5]

The Schaeffler Group has not set, at this point in time, any outcome-oriented and time-bound targets related to value chain workers, since its reporting process is currently still in the process of being established. Nevertheless, the Schaeffler Group aims to make its supplier network more transparent and to appropriately deal with the negative impacts identified as material in the supply chain as part of its Human Rights CMS in accordance with the requirements of the LkSG.

The actions and policies to ensure adequate working conditions, equal treatment and opportunities for all, as well as other work-related rights in relation to the impacts identified are evaluated for effectiveness annually. This involves evaluating whether the actions address the material impacts and whether the target of the action is achieved. In addition, actions are communicated in writing and tracked.

Affected communities [ESRS S3]

Impacts, risks, and opportunities (IROs) [SBM-3]

Being a manufacturing company for a large number of industrial applications, the Schaeffler Group is dependent on the sourcing, extracting, and processing of raw materials in the upstream value chain. In the downstream value chain, the Schaeffler Group's Bearings & Industrial Solutions division serves customers in the raw materials extraction sector. The Schaeffler Group's business model and activities described herein could give rise to material impacts affecting communities and indigenous peoples in the Tier n supply chain and in the downstream value chain, for instance in the extraction of metals, minerals, or raw materials. These may involve violations of their economic, social, cultural, civil, and political rights. The impacts identified as material in this regard are set out in the following overview. [1] They are systemically widespread in the contexts the Schaeffler Group operates in. The company is currently analyzing how these impacts on affected communities inform its strategy and business model.

Impacts associated with affected communities

COMMUNITIES' ECONOMIC, SOCIAL, AND CULTURAL RIGHTS

- **Violations of economic, social, and cultural rights of surrounding communities**
  (Potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

Potential negative impacts arise from violation of the economic, social, and cultural rights of surrounding communities as a result of extraction and processing of raw materials and production of intermediate products and components in the upstream value chain.

The associated destruction of ecosystems, exploitation of natural resources, environmental pollution, violation of land rights, and cultural dilution, that is, the loss or weakening of cultural characteristics and traditions, can have a negative impact on the livelihoods and living standards of these communities.

In addition, the Schaeffler Group's Bearings & Industrial Solutions division also serves customers in the raw materials extraction sector whose activities in the downstream value chain can be associated with negative impacts for the same reasons.

COMMUNITIES' CIVIL AND POLITICAL RIGHTS

- **Disregard of civil and political rights of surrounding communities**
  (Potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

Potential negative impacts on these communities arise due to the disregard of their civil and political rights during extraction and processing of raw materials and production of intermediate products and components in the upstream value chain.

In some geographic areas, tolerance for freedom of expression and assembly is low and human rights defenders are not adequately protected by local governments. Thus, raising concerns or highlighting grievances can lead to an increased risk of persecution, repression, and violent displacement of protesters.

The use of private and/or public security forces by suppliers can also lead to human rights violations due to a lack of training or inadequate monitoring.

In addition, the Schaeffler Group's Bearings & Industrial Solutions division also serves customers in the raw materials extraction sector whose activities in the downstream value chain can be associated with negative impacts for the same reasons.

RIGHTS OF INDIGENOUS PEOPLES

- **Violations of rights of indigenous peoples**
  (Actual and potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	☐ own operations	■ downstream

Potential negative impacts on the rights of indigenous peoples arise during extraction and processing of raw materials and production of intermediate products and components in the downstream value chain.

Particularly mining activities around the world pose serious risks to the human rights of indigenous peoples. These include conflicts over land use and ownership, especially in regions where rights are not fully documented, and the loss of their livelihoods, natural resources and cultural rights, jeopardizing local traditions, customs, or cultural sites.

In addition, the Schaeffler Group's Bearings & Industrial Solutions division also serves customers in the raw materials extraction sector whose activities in the downstream value chain can be associated with negative impacts for the same reasons.

Moreover, the company has identified negative impacts on affected communities from pollution by mining activities within the Tier n supply chain that adversely affect the well-being of the local communities.

Material impacts are identified based on the Critical Raw Materials Analysis (see section ESRS S2 SBM-3) launched as part of the Schaeffler Sustainability Roadmap in 2024 and updated in 2025. It forms the basis for strategically prioritizing raw materials supply chains and expanding a Tier n due diligence system designed to ensure compliance with due diligence obligations along the entire supply chain. Along with value chain workers, this analysis also considered affected communities and indigenous peoples in the upstream value chain. Results of the analysis show that risks for affected communities can be especially high in relation to certain raw materials, particularly with respect to the economic, social, and cultural rights of affected communities and violation of the rights of indigenous peoples such as by violation of the principle of free, prior, and informed

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts.

consent (FPIC). Moreover, there are increased health and environmental risks due to a possible exposure to poisonous substances or pollution of water and soil. These negative impacts can arise in the immediate environment of the mine, but can also affect communities and indigenous peoples that live farther away, for instance by polluting bodies of water.

Policies [S3-1]

The Schaeffler Group has implemented various policies and policy statements in order to address its material impacts related to respecting human rights, including workers' rights, as well as rights of affected communities and indigenous peoples. These include the **Schaeffler Code of Conduct**, the **Business Partner Code of Conduct**, the **Statement on Respect for Human Rights**, and the **Human Rights Compliance Policy**.

Schaeffler Code of Conduct

The Schaeffler Code of Conduct comprehensively describes the Schaeffler Group's values and principles of conduct (see section ESRS S1-1). The Schaeffler Group respects applicable local national, international, and traditional rights concerning land, water, and resources, as well as the rights of local communities and indigenous peoples to a decent standard of living that might be affected by the group's business operations.

Business Partner Code of Conduct

The Schaeffler Group has committed to standards and minimum requirements for its own business conduct and expects its business partners to meet these as well. The Business Partner Code of Conduct describes these requirements, providing binding rules for conducting business relations (see section ESRS S2-1).

Statement on Respect for Human Rights

The Statement on Respect for Human Rights sets out the Schaeffler Group's human rights strategy taking into account the requirements of the German LkSG (see section ESRS S1-1). Along with the company's own employees and workers in the supply chain, the Statement also includes affected communities and indigenous peoples in the group of people potentially affected. It is updated on a continuous basis.

Human Rights Compliance Policy

Additionally, the Human Rights Compliance Policy defines minimum requirements binding for all employees regarding compliance with national and international requirements and standards with regard to human rights due diligence within the Schaeffler Group and the supply chain. As part of the binding minimum requirements, the Policy defines the human rights due diligence obligations for respecting land and community rights in the company's business activities. This includes the rights of affected communities and indigenous peoples regarding prohibition of forced resettlement and respect for land rights. The Schaeffler Group respects the rights of communities, including indigenous peoples, in accordance with applicable law. In its Human Rights Compliance Policy, the Schaeffler Group stipulates that acquiring, developing, or otherwise using land, forests, or waters forming the basis of the survival and quality of life of people or communities must not interfere with their rights in any business activities. The Policy serves as a general preventive measure to protect human rights. In addition, all companies belonging to the group are obligated to remedy any human rights violations in their area of responsibility.

The company's latter two documents govern how human rights are handled with a view to the rights of local communities and indigenous peoples (see section ESRS S1-1). Both are integral components of the Human Rights CMS, along with other sets of regulations (see section ESRS S1-3).

The Schaeffler Group's fundamental documents and policies are aligned with global standards and frameworks (see sections ESRS S1-1 and ESRS S2-1) and also reflect compliance with the United Nations' international conventions on civil, political, economic, social, and cultural rights. Additionally, the Schaeffler Group has explicitly recognized the FPIC principle. The FPIC principle is described in the Declaration on the Rights of Indigenous Peoples (UNDRIP) and represents a protective measure aimed at safeguarding the rights of indigenous peoples. It is based on the right to self-determination and the right to be free from discrimination. Both of these rights are guaranteed in various agreements under international law.

The company did not engage directly with affected communities and indigenous peoples during the year.

Processes for engaging with affected communities [S3-2]

The Schaeffler Group aims to more extensively consider the interests of affected communities and indigenous peoples in the company's due diligence processes in the future. However, the company did not yet engage in a direct dialog with affected communities and indigenous peoples during the year.

Nevertheless, the Schaeffler Group actively participates in sector dialogs and initiatives and is a member of various organizations. For example, the Schaeffler Group participates in the **Sector Dialogues of the Automotive Industry**; as part of these dialogs, the Schaeffler Group, in cooperation with other automotive industry companies and with the support of civil society organizations, is pushing ahead with a pilot project in the copper supply chain (see section ESRS S2-4), for example.

Moreover, the Schaeffler Group is active in other initiatives such as the RMI and the IRMA. Especially IRMA attaches great importance to ensuring that the rights and interests of indigenous peoples are respected and complied with. Additional information is set out in section ESRS S2-2.

Moreover, a Stakeholder Engagement Guideline defining the principles and objectives for uniform stakeholder involvement has been developed with the aim to have these integrated in all human rights and environmental due diligence processes by the relevant process coordinators.

The Schaeffler Group has developed a set of criteria to evaluate the effectiveness of certification systems such as IRMA and RMI, for instance (see section ESRS S2-4).

Processes to remediate negative impacts and channels for raising concerns [S3-3]

Being a company with international operations, the Schaeffler Group cannot fundamentally rule out that material negative impacts on affected communities and indigenous peoples may arise in its value chain. However, the Schaeffler Group aims to prevent and/or avoid these material impacts. The Schaeffler Group includes its business partners in this aim. In principle, the process for improving impacts follows the UN Guiding Principles. The process is suitable for taking into account customs, traditions, rules, and legal systems in relevant cases. The investigation process provides the opportunity to refer to Schaeffler's internal expertise in order to appropriately take into account these relevant aspects in specific individual cases when providing and facilitating remedial actions for indigenous peoples.

An annual risk analysis in accordance with the LkSG (see section ESRS S1-3) additionally involves capturing human rights-related and environmental risks and violations resulting from the company's own operations or those of its business partners. The results of the risk analysis lead to an action plan.

Grievance mechanism and whistleblowing system

In order to address potential violations of the law, the company's own workforce and value chain workers as well as other external persons such as affected communities have access to a grievance system consisting of various reporting channels including an electronic whistleblowing system. Section ESRS S1-3 contains a description of this system along with information on monitoring and effectiveness.

The availability of the whistleblowing system and the various reporting channels are discussed in the Guideline on the Whistleblowing System, in the Schaeffler Code of Conduct, and in the Schaeffler Group's Business Partner Code of Conduct. The Schaeffler Group's business partners are requested, via the Schaeffler Group's Business Partner Code of Conduct, to make potentially affected stakeholders aware of the Schaeffler Group channels available for reporting misconduct and to inform them about the grievance mechanism. Internally, the Forensics & Investigations department is responsible for processing reports. It falls under the responsibility of the head of Compliance & Corporate Security. The specialists entrusted with the investigation are bound to secrecy. Investigations are to be conducted in an objective, open-ended, factual, timely, efficient, and effective manner. Additionally, the Schaeffler Group makes arrangements to protect potential parties involved, and especially rights holders, against disadvantage and retaliation or punishment. Protecting rights holders is of the highest priority in all investigations. The relevant regulations are set out in the Guideline on the Whistleblowing System and are discussed in section ESRS G1-1. The company has not yet verified whether potentially affected communities know and trust the reporting channels.

Actions [S3-4]

The Schaeffler Group is committed to ensuring that its practices do not cause or contribute to any material negative impacts on affected communities. It relies on various fundamental documents, policies (see section ESRS S3-1), and management systems (see section ESRS S3-3) and refers to national and international standards to ensure compliance with human rights, including workers' rights. The approach is closely linked with the company's expectation of its business partners that they, too, will comply with these standards and minimum requirements. Actions related to responsible sourcing and extraction of raw materials are described in section ESRS S2-4. Measures related to using natural resources and managing environmental impacts are explained in sections ESRS E5-2 and ESRS E1-3, respectively.

As part of the **pilot project for the copper supply chain in Peru**, the Schaeffler Group aims to identify opportunities for purchasing companies to positively impact the situation of affected rights holders such as mining company workers or communities affected by mining operations. Further details are set out in section ESRS S2-4. The action is considered ongoing. The company plans to appropriately review its effectiveness once it has been implemented.

The actions described do not result in any significant specific capital (CapEx) or operating expenditures (OpEx) and are implemented as part of regular operations and planned for 2026 by employees.

Human rights issues and/or incidents associated with affected communities were found in the upstream value chain during the reporting period. No reported cases were received for the downstream value chain via the Schaeffler grievance channel during the reporting period (see section ESRS S3 SBM-3).

Targets [S3-5]

To date, the Schaeffler Group has not set any outcome-oriented and/or time-bound target related to affected communities, since its reporting process is still in the process of being established. The company plans to review effectiveness during the period after implementation of the measures described. The effectiveness of the policies was not tracked during the reporting period.

5.4 Business conduct

Business conduct [ESRS G1]

Impacts, risks, and opportunities (IROs) [SBM-3]

Material negative as well as positive impacts related to corporate culture, protection of whistleblowers, and corruption and bribery were identified in the materiality assessment. These are set out in the following overview. [1]

Impacts associated with business conduct

CORPORATE CULTURE

● **Strong corporate culture**
(Actual positive impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	☐ upstream	■ own operations	☐ downstream

Actual positive impacts on employees and society arise from the strong and values-oriented corporate culture of the Schaeffler Group. As a global family-owned company, the Schaeffler Group and its employees are committed to integrity, fairness, and mutual respect. The corporate culture aims to promote a sense of belonging and increase employee commitment and productivity.

WHISTLEBLOWER PROTECTION

● **Lack of adequate whistleblower protection**
(Potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	■ own operations	■ downstream

There are potential negative impacts on whistleblowers across the value chain, whose protection from repression and retaliation cannot be guaranteed at all times if their anonymity is jeopardized and cases are not treated as confidential.

This applies especially to potential whistleblowers in the value chain where the Schaeffler Group may not be in a position to ensure effective safeguards against retaliation due to limited capacities to influence other parties related to these cases.

In consequence, potential whistleblowers may be deterred from reporting their concerns for fear of retaliation and punishment. Insufficient protection of whistleblowers may result in severe environmental or social/human rights violations being reported too late, which in turn could lead to delays in the implementation of remedial actions.

CORRUPTION AND BRIBERY

● **Impacts of corruption and bribery**
(Potential negative impacts)

Time horizon:	■ short-term	☐ medium-term	☐ long-term
Stage of the value chain:	■ upstream	■ own operations	■ downstream

Potential negative impacts on people, society, and the environment arise from the risk of corruption and bribery along the entire value chain, from extraction and processing of raw materials to the company's own operations through to end-of-life treatment.

For instance, the mining sector is particularly susceptible to corruption, as there are very few economically viable mineral deposits worldwide. Therefore, there is enormous pressure to explore and develop these deposits despite potential severe negative consequences for the environment and/or people.

Furthermore, some direct and indirect suppliers, but also some of the Schaeffler Group's own locations are located in countries with a high risk of corruption and bribery which in turn can have multiple negative impacts on people, society, and the environment.

The same applies to business partners in the downstream value chain. The recycling and waste industry, for example, operates in some countries with weak regulations. Due to corruption and bribery, waste might be disposed of or traded illegally for profit despite potential severe consequences for the environment.

The company executes various actions to deliberately address the material negative and positive ESRS G1-related impacts identified in the materiality assessment. These actions are discussed in the following chapters and should be considered ongoing unless stated otherwise. The company is currently not planning any significant additional actions. The actions described do not result in any significant specific capital (CapEx) or operating expenditures (OpEx) and are implemented as part of regular operations and planned for 2026 by employees.

Disclosures on the role of the administrative, management, and supervisory bodies and their expertise on business conduct matters is described in section ESRS 2 GOV-1.

A supplementary description of the disclosures on the expertise of the administrative, management, and supervisory bodies on business conduct matters in accordance with ESRS 2 GOV-1.5 b is included in the disclosures marked accordingly in the "Qualifications matrix – shareholder representatives" (on the Supervisory Board) section (pp. i7 et seq.) of the group management report. This information also forms an integral component of this sustainability statement.

Business conduct policies and corporate culture [G1-1]

The Schaeffler Group has implemented various policies and policy statements in order to address its material impacts related to business conduct. These include the **Schaeffler Code of Conduct**, the **Purchasing and Supplier Management Policy**, as well as the **Business Integrity Compliance Policy**.

[1] Time horizons identified represent the estimated earliest time of occurrence of material impacts.

To the Schaeffler Group, economic success, a sustainable corporate vision, and awareness of the social and environmental concerns of its own operations are traditionally closely interlinked. Like the values of "Innovative, Excellent, and Passionate", Sustainable is anchored in the Schaeffler Group's corporate culture.

The corporate culture is practiced based on the policies, actions, and policy statements described below.

Schaeffler Code of Conduct

The Schaeffler Code of Conduct comprehensively describes the Schaeffler Group's values and principles of conduct (see section ESRS S1-1) that promote the corporate culture.

They must be adhered to by the members of the Executive Board as well as all managers and employees of the Schaeffler Group. Integrity, fairness, and mutual respect represent the foundation of its worldwide business activities. In this manner, the company would like to create the prerequisites for its sustained success. Further, the Schaeffler Code of Conduct also contains guidelines for the conduct vis-à-vis business partners and third parties, including ensuring fair competition and combating corruption.

Purchasing and Supplier Management Policy

The Purchasing and Supplier Management Policy describes the fundamental responsibilities of all purchasing departments. Its aim is to ensure that legal, social, and customer-related requirements are met in the external supply chain. The policy applies to the entire Schaeffler Group; in particular, to all employees within the purchasing organization as well as to employees who work outside of purchasing but perform tasks within purchasing processes. The Chief Operating Officer is the most senior level accountable for implementation of the Purchasing and Supplier Management Policy. The Policy was approved by the Schaeffler Group's Executive Board. The contents of the guideline reflects the interests of the stakeholders determined, for example, in the annual stakeholder involvement process (see section ESRS 2 SBM-2). The Policy has been published internally.

Business Integrity Compliance Policy

Updated during the year, the Business Integrity Compliance Policy provides binding instructions on business integrity, particularly in the following compliance risk areas: corruption and bribery, conflicts of interest, lobbying and representation of interests, and money laundering and financing of terrorism. The Policy specifies the requirements of the Schaeffler Code of Conduct and is aimed at reducing the risk of relevant violations of the law. As the Policy is binding on the Schaeffler Group, it covers the company's own operations and business relationships with direct business partners. It was approved by the Schaeffler Group's Executive Board. The CEO represents the most senior level accountable for its implementation. Along with the international standards listed in section ESRS S1-1 above, the Policy is also aligned with the United Nations Convention against Corruption. The Policy has been published internally.

Whistleblowing system and whistleblower protection

The groupwide whistleblowing system is an integral part of the Schaeffler Group's CMS. It provides the company with a set of instruments that allows potential misconduct – including violations of the Schaeffler Code of Conduct, internal policies, or legal requirements – to be reported within the company. The section on the Guideline on the Whistleblowing System in section ESRS S1-3 contains further details on reporting channels and categories, procedures following receipt of a report, and the Schaeffler Group's measures aimed at ensuring the protection of whistleblowers.

More on the Schaeffler Group's compliance management system on pp. i21 et seq.

Reports received are to be investigated as independently, objectively, and promptly as possible. If the investigation cannot be conducted independently because investigators are biased or there is a conflict of interest, the investigation is conducted by an independent unit. The internal processes and requirements are designed to offer whistleblowers effective protection against disadvantage or punishment. This also applies to the investigation of reported incidents of corruption and bribery. Especially employees in purchasing and sales are particularly exposed to the risk of corruption and bribery. The Schaeffler Group's employees are informed about the whistleblower system in compliance training courses.

During the year, the Schaeffler AG Board of Managing Directors set a target of tracking the imposed deadlines for implementing remedial actions arising from compliance investigations and complying with at least 90% of them each year up to and including 2030. The target is in line with the percentage of actions implemented in internal investigations that is customary in the market for large international companies. As the company is currently developing a reliable method for determining the target achievement rate, the qualitative and quantitative performance compared to the published target is not yet reported on in 2025. The base data used is the remedial actions captured and presented in the case management database administered by Compliance Forensics & Investigations. The target is designed to contribute to timely and effective implementation of actions recommended to remediate – and prevent in future – identified misconduct and was agreed between the Strategic Sustainability and Compliance departments. The actions were published in internal investigation reports by the Compliance Forensics & Investigations department. Prior to being published, actions were discussed and agreed with those responsible for their implementation.

Compliance training

In order to foster conduct in compliance with the law and in accordance with the Schaeffler Group's regulations and values, the company applies an action that consists of a systematic training program specific to the various target groups. Web-based and classroom training sessions are used to familiarize employees and managers with the Schaeffler Code of Conduct and relevant group policies and to raise their awareness of compliance risks in their day-to-day business. Training sessions are continually refined and updated and adapted to the employees' areas of responsibility. They cover topics such as integrity, the Schaeffler Code of Conduct, competition and antitrust law, combating corruption, human rights, tax compliance, and export control compliance. The whistleblowing system and its operation are part of the training program as well.

Assignment of the various training sessions follows a risk-based approach, which makes taking the training sessions mandatory for high-risk employee groups. Supervisors are responsible for enabling employees to take the web-based training sessions and/or attend a classroom training session. The frequency of compliance training varies with training type. Some training sessions are only required once or when the content changes significantly, for instance, while others, such as "Refreshing Integrity & Security @ Schaeffler", have to be retaken each year.

During the year, the Schaeffler AG Board of Managing Directors established a target requiring that, starting in 2025 and initially up to and including 2030, at least 95% of the company's employees, apprentices, interns, and undergraduate and graduate students take the mandatory business integrity compliance training courses each year. The relevant training courses are "Integrity & Security @ Schaeffler", "Preventing Bribery & Corruption", "Antitrust Compliance", and "Refreshing Integrity & Security @ Schaeffler". Since the participation rate amounted to 95.5% in 2025, the target was met. The target is designed to increase awareness of business integrity compliance. The target was agreed between the Strategic Sustainability, Compliance, and Qualification & Learning technical departments. Data is collected based on the Schaeffler Academy Learning Management Systems. Progress is reviewed monthly and is reported to the Board of Managing Directors and the audit committee of the Supervisory Board as at each quarter-end.

Prevention and detection of corruption and bribery [G1-3]

As stated in the Schaeffler Code of Conduct, the Business Partner Code of Conduct (see section ESRS S2-1), and in the Schaeffler Group's Business Integrity Compliance Policy (see section ESRS G1-1), integrity and compliance are fundamentally important to business conduct. The Schaeffler Group does not tolerate any form of corruption or bribery. All employees must adhere to the anti-corruption laws applicable in the countries the company operates in.

In order to prevent, detect, and combat corruption and bribery, the company has established an action in form of a **Business Integrity CMS**. It encompasses, in particular, management and monitoring of the activities to prevent and/or detect early any legal violations with regard to corruption and bribery, money laundering and financing of terrorism, competition and antitrust law, and business crime violations. The Business Integrity CMS also contains regulations regarding active risk management and is thus also aimed at protecting both the Schaeffler Group and its employees. The introduction, implementation, appropriateness, and effectiveness of the Business Integrity CMS is reviewed both internally and externally on a regular basis; the appropriateness and effectiveness was confirmed by an independent audit firm in accordance with IDW PS 980 standard in 2022. Another review of the entire Schaeffler Group's Business Integrity CMS for effectiveness was started during the year.

The CMS follows a risk-based approach, requiring a risk assessment in order to introduce and develop relevant preventive and detective measures. Measures aimed at preventing corruption and bribery consist of the implementation of fundamental documents and policies such as the Schaeffler Code of Conduct, the Business Partner Code of Conduct, and the Business Integrity Compliance Policy, review and approval processes, for benefits, for example, and training. The Schaeffler Group's training program, which also includes e-learning courses, provides an overview of the relevant anti-corruption legislation and regulations. In addition, there is a mandatory in-depth e-learning module for target groups with a higher risk of bribery and corruption, as well as specific training for people who perform third party due diligence checks. Moreover, the company performs compliance checks. Compliance investigations are initiated for suspected violations and remedial action taken if a compliance violation is found.

All functions at risk are covered by training programs, with functions at risk considered to be purchasing and sales in particular. The percentage of training sessions actually taken during the reporting period is 95.5%. The members of the Board of Managing Directors and the Supervisory Board address compliance issues and requirements on a regular basis (e.g., based on the quarterly report of the Chief Compliance Officer) and, where necessary, ad hoc (e.g., presentation of compliance country risk report, reporting of compliance violations).

The Forensics & Investigations department is responsible for independently, objectively, and promptly investigating suspected compliance violations in accordance with the principles and policies of the Schaeffler Group. The department is part of the corporate team of compliance experts. The Group Chief Compliance Officer of the Schaeffler Group reports to the Schaeffler Group Executive Board and the audit committee on the results of investigations of identified compliance violations quarterly and as the need arises.

Beyond the targets of increasing awareness of compliance and implementing whistleblower incident-related actions timely described in section G1-1, the Schaeffler Group does not pursue any other outcome-oriented and time-bound targets on the issue of business conduct at this time. The effectiveness of the Business Integrity CMS mentioned in this chapter as an action to prevent incidents of corruption and bribery is continuously monitored by calculating and disclosing specific metrics (see section ESRS G1-4).

Metrics

Incidents of corruption or bribery [G1-4]

The Forensics & Investigations department is responsible for addressing and documenting possible violations of anti-corruption and anti-bribery laws for the entire Schaeffler Group and processes all information relevant in this regard that is received from internal or external sources. This did not give rise to any convictions for violation of anti-corruption and anti-bribery laws and, hence, any fines in either 2025 or the prior year. Therefore, the Schaeffler Group currently considers its procedures set out in section ESRS G1-3 for preventing, detecting, and combating allegations or incidents of corruption and bribery to be effective. No further actions were necessary.

5.5 Additional information

Disclosure requirements in ESRS covered by the company's sustainability statement

The following table lists all disclosure requirements the Schaeffler Group has complied with based on the results of the double materiality assessment and indicates where the corresponding disclosures can be found in the sustainability statement. The datapoints to be reported and, hence, the material sustainability matters were determined based on the criteria set out under ESRS 1 (see section ESRS 2 IRO-1). ESRS S4 was assessed as not material to the Schaeffler Group and, as a result, is not listed in the ESRS index.

ESRS index

Disclosure requirement		Section/chapter
General disclosures		
ESRS 2 BP-1	General basis for preparation of the sustainability statement	ESRS 2
ESRS 2 BP-2	Disclosures in relation to specific circumstances	ESRS 2
ESRS 2 GOV-1	The role of the administrative, management, and supervisory bodies	ESRS 2
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the company's administrative, management, and supervisory bodies	ESRS 2
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS 2
ESRS 2 GOV-4	Statement on due diligence	ESRS 2
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	ESRS 2
ESRS 2 SBM-1	Strategy, business model, and value chain	ESRS 2
ESRS 2 SBM-2	Interests and views of stakeholders	ESRS 2
ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model	ESRS 2
ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks, and opportunities	ESRS 2
ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the company's sustainability statement	ESRS 2
Environment		
ESRS E1 Climate change		
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS 2
E1-1	Transition plan for climate change mitigation	ESRS E1
ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model	ESRS E1
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks, and opportunities	ESRS 2
E1-2	Policies related to climate change mitigation and adaptation	ESRS E1
E1-3	Actions and resources in relation to climate change policies	ESRS E1
E1-4	Targets related to climate change mitigation and adaptation	ESRS E1
E1-5	Energy consumption and energy mix	ESRS E1
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	ESRS E1
ESRS E2 Pollution		
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities	ESRS 2
E2-1	Policies related to pollution	ESRS E2
E2-2	Actions and resources related to pollution	ESRS E2
E2-3	Targets related to pollution	ESRS E2
ESRS E3 Water and marine resources		
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks, and opportunities	ESRS 2
E3-1	Policies related to water and marine resources	ESRS E3
E3-2	Actions and resources related to water and marine resources	ESRS E3
E3-3	Targets related to water and marine resources	ESRS E3
E3-4	Water consumption	ESRS E3
ESRS E4 Biodiversity and ecosystems		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	ESRS E4
ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model	ESRS E4
ESRS 2 IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, and opportunities	ESRS 2
E4-2	Policies related to biodiversity and ecosystems	ESRS E4
E4-3	Actions and resources related to biodiversity and ecosystems	ESRS E4
E4-4	Targets related to biodiversity and ecosystems	ESRS E4
ESRS E5 Resource use and circular economy		
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities	ESRS 2

Disclosure requirement		Section/chapter
E5-1	Policies related to resource use and circular economy	ESRS E5
E5-2	Actions and resources related to resource use and circular economy	ESRS E5
E5-3	Targets related to resource use and circular economy	ESRS E5
E5-4	Resource inflows	ESRS E5
E5-5	Resource outflows	ESRS E5

Social

ESRS S1 Own workforce		
ESRS 2 SBM-2	Interests and views of stakeholders	ESRS 2
ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model	ESRS S1
S1-1	Policies related to own workforce	ESRS S1
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	ESRS S1
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	ESRS S1
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	ESRS S1
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S1
S1-6	Characteristics of the company's employees	ESRS S1
S1-8	Collective bargaining coverage and social dialog	ESRS S1
S1-9	Diversity metrics	ESRS S1
S1-10	Adequate wages	ESRS S1
S1-13	Training and skills development metrics	ESRS S1
S1-14	Health and safety metrics and additional company-specific metric "lost-time injury rate (LTIR)"	ESRS S1
S1-16	Remuneration metrics	ESRS S1
S1-17	Incidents, complaints and severe human rights impacts	ESRS S1

Disclosure requirement		Section/chapter
ESRS S2 Workers in the value chain		
ESRS 2 SBM-2	Interests and views of stakeholders	ESRS 2
ESRS 2 SBM-3	Impacts, risks, and opportunities and their interaction with strategy and business model	ESRS S2
S2-1	Policies related to value chain workers	ESRS S2
S2-2	Processes for engaging with value chain workers about impacts	ESRS S2
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	ESRS S2
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	ESRS S2
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S2
ESRS S3 Affected communities		
ESRS 2 SBM-2	Interests and views of stakeholders	ESRS 2
ESRS 2 SBM-3	Impacts, risks, and opportunities and their interaction with strategy and business model	ESRS S3
S3-1	Policies related to affected communities	ESRS S3
S3-2	Processes for engaging with affected communities about impacts	ESRS S3
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	ESRS S3
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	ESRS S3
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S3

Business conduct

ESRS G1 Business conduct		
ESRS 2 GOV-1	The role of the administrative, management, and supervisory bodies	ESRS 2
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	ESRS 2
G1-1	Business conduct policies and corporate culture	ESRS G1
G1-3	Prevention and detection of corruption and bribery	ESRS G1
G1-4	Incidents of corruption or bribery	ESRS G1

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

The following table contains all datapoints stemming from other EU legislation as listed in ESRS 2 Appendix B. It indicates where in the Schaeffler Group's sustainability statement the datapoints identified as material can be found and which datapoints were assessed as "not material".

Disclosure requirement	Datapoint	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section/chapter
ESRS 2 GOV-1	21d	Board's gender diversity	●		●			ESRS 2 GOV-1
ESRS 2 GOV-1	21e	Percentage of board members who are independent			●			ESRS 2 GOV-1
ESRS 2 GOV-4	30	Statement on due diligence	●					ESRS 2 GOV-4
ESRS 2 SBM-1	40d i	Involvement in activities related to fossil fuel activities	●	●	●		not material	
ESRS 2 SBM-1	40d ii	Involvement in activities related to chemical production	●		●		not material	
ESRS 2 SBM-1	40d iii	Involvement in activities related to controversial weapons	●		●		not material	
ESRS 2 SBM-1	40d iv	Involvement in activities related to cultivation and production of tobacco			●		not material	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				●		ESRS E1-1
ESRS E1-1	16g	Companies excluded from Paris-aligned Benchmarks		●	●			ESRS E1-1
ESRS E1-4	34	GHG emission reduction targets	●	●	●			ESRS E1-4
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	●					ESRS E1-5
ESRS E1-5	37	Energy consumption and energy mix	●					ESRS E1-5
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	●					ESRS E1-5
ESRS E1-6	44	Gross Scopes 1, 2, 3 and total GHG emissions	●	●	●			ESRS E1-6
ESRS E1-6	53-55	Gross GHG emissions intensity	●	●	●			ESRS E1-6
ESRS E1-7	56	GHG removals and carbon credits				●	not material	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			●		n. a. [1]	
ESRS E1-9	66a 66c	Disaggregation of monetary amounts by acute and chronic physical risk/location of significant assets at material physical risk		●			n. a. [1]	
ESRS E1-9	67c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		●			n. a. [1]	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			●		n. a. [1]	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	●				not material	
ESRS E3-1	9	Water and marine resources	●					ESRS E3-1
ESRS E3-1	13	Dedicated policy	●					ESRS E3-1
ESRS E3-1	14	Sustainable oceans and seas	●				not material	
ESRS E3-4	28c	Total water recycled and reused	●				not material	
ESRS E3-4	29	Total water consumption in m^3 per net revenue from own operations	●				not material	
ESRS 2 SBM-3 E4	16a i		●					ESRS 2 E4 SBM-3
ESRS 2 SBM-3 E4	16b		●					ESRS 2 E4 SBM-3

[1] Application of ESRS phase-in option.

Disclosure requirement	Datapoint	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section/chapter
ESRS 2 SBM-3 E4	16c		●					ESRS 2 E4 SBM-3
ESRS E4-2	24b	Sustainable land / agriculture practices or policies	●					ESRS E4-2
ESRS E4-2	24c	Sustainable oceans / seas practices or policies	●				not material	
ESRS E4-2	24d	Policies to address deforestation	●				not material	
ESRS E5-5	37d	Non-recycled waste	●					ESRS E5-5
ESRS E5-5	39	Hazardous waste and radioactive waste	●					ESRS E5-5
ESRS 2 SBM-3 – S1	14f	Risk of incidents of forced labor	●					ESRS 2 S1 SBM-3
ESRS 2 SBM-3 – S1	14g	Risk of incidents of child labor	●					ESRS 2 S1 SBM-3
ESRS S1-1	20	Human rights policy commitments	●					ESRS S1-1
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			●			ESRS S1-1
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	●					ESRS S1-1
ESRS S1-1	23	Workplace accident prevention policies or management system						ESRS S1-1
ESRS S1-3	32c	Grievance/complaints handling mechanisms	●					ESRS S1-3
ESRS S1-14	88b 88c	Number of fatalities and number and rate of work-related accidents	●		●			ESRS S1-14
ESRS S1-14	88e	Number of days lost to injuries, accidents, fatalities, or illness	●				n. a. [1]	ESRS S1-14
ESRS S1-16	97a	Unadjusted gender pay gap	●		●			ESRS S1-16
ESRS S1-16	97b	Excessive CEO pay ratio	●					ESRS S1-16
ESRS S1-17	103a	Incidents of discrimination	●					ESRS S1-17
ESRS S1-17	104a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	●		●			ESRS S1-17
ESRS 2 SBM3 – S2	11b	Significant risk of child labor or forced labor in the value chain	●					ESRS 2 S2 SBM3
ESRS S2-1	17	Human rights policy commitments	●					ESRS S2-1
ESRS S2-1	18	Policies related to value chain workers	●					ESRS S2-1
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	●		●			ESRS S2-1
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	●					ESRS S2-1
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	●					ESRS S2-4
ESRS S3-1	16	Human rights policy commitments	●					ESRS S3-1
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles, or OECD Guidelines	●		●			ESRS S3-1
ESRS S3-4	36	Human rights issues and incidents	●					ESRS S3-4
ESRS S4-1	16	Policies related to consumers and end-users	●				not material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	●		●		not material	
ESRS S4-4	35	Human rights issues and incidents	●				not material	
ESRS G1-1	10b	United Nations Convention against Corruption	●					ESRS G1-1
ESRS G1-1	10d	Protection of whistleblowers	●					ESRS G1-1
ESRS G1-4	24a	Fines for violation of anti-corruption and anti-bribery laws	●		●			ESRS G1-4
ESRS G1-4	24b	Standards of anti-corruption and anti-bribery	●					ESRS G1-4

[1] Application of ESRS phase-in option.

Assurance Report of the Independent German Public Auditor

on a Limited Assurance Engagement in relation to the Sustainability statement

To Schaeffler AG, Herzogenaurach

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability report of Schaeffler AG, Herzogenaurach, (hereinafter the "Company") included in section "Sustainability statement" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025 (hereinafter the "Sustainability statement"). The Sustainability statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Sustainability statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Sustainability statement (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "Description of the process to identify and assess material impacts, risks and opportunities [IRO-1]" of the Sustainability statement, or
- that the disclosures set out in section "EU-Taxonomy Disclosures" of the Sustainability statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Sustainability statement" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Sustainability statement

The executive directors are responsible for the preparation of the Sustainability statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Sustainability statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Sustainability statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Sustainability statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Sustainability statement.

Inherent Limitations in the Preparation of the Sustainability statement

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Sustainability statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Sustainability statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Sustainability statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Sustainability statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Sustainability statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Sustainability statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Sustainability statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Sustainability statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Sustainability statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Sustainability statement.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Sustainability statement.
- performed site visits.
- considered the presentation of the information in the Sustainability statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Nuremberg, 25 February 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Clemens Koch
Wirtschaftsprüfer
[German public auditor]

Marco See
Wirtschaftsprüfer
[German public auditor]

6. Report on expected developments

6.1 Expected economic and sales market trends

Based on the forecast by S&P Global (January 2026) [1], the Schaeffler Group anticipates growth in **global gross domestic product** [2] of nearly 3.0% in 2026 (2025: 2.9%).

Please refer to the discussion in the report on opportunities and risks for potential risks to global economic growth.

Based on the forecast by S&P Global Mobility (January 2026) [3], the Schaeffler Group anticipates **global automobile production** [4] to decline by approximately 0.4% to around 92.6 million vehicles in 2026 (2025: 92.9 million vehicles).

Based on the forecast by S&P Global Mobility (November 2025) [5], the Schaeffler Group expects growth in **global vehicle population** [6] of 2.0% to 2.5% and a further rise in the average vehicle age in 2026 (2025: growth of 2.4%, average age 11.5 years).

Based on the forecast by S&P Global Market Intelligence (January 2026) [7], the Schaeffler Group expects **global industrial production** [8] to grow by just over 2.5% in 2026 (2025: 3.1%), while production in the sectors particularly relevant to the company – mechanical engineering, transport equipment, and electrical equipment – is anticipated to expand by 2.5% to 3.0% (2025: 2.1%).

1 Includes content supplied by S&P Global Market Intelligence © [World Economic Service Forecast, January 2026]. All rights reserved.
2 Measured as gross domestic product in real terms based on market exchange rates.
3 Includes content supplied by S&P Global Mobility © [IHS Markit Light Vehicle Production Forecast (Base), January 2026]. All rights reserved.
4 Measured as the number of vehicles up to six tons in weight manufactured.
5 Includes content supplied by S&P Global Mobility © [IHS Markit Vehicles in Operation (VIO) Forecast, November 2025]. All rights reserved.
6 Measured as the number of passenger cars and light commercial vehicles less than 3.5 tons in weight.
7 Includes content supplied by S&P Global Market Intelligence © [Comparative Industry Service Forecast, January 2026]. All rights reserved.
8 Measured as value added in real terms.

6.2 Schaeffler Group outlook

The **Schaeffler Group** anticipates revenue for 2026 within a range of approximately EUR 22.5 to 24.5 bn. This represents revenue growth of -4.3 to 4.3%, excluding the impact of currency translation. At the same time, the company expects to generate an EBIT margin before special items for 2026 of 3.5 to 5.5%. Free cash flow before cash in- and outflows for M&A activities is expected to amount to EUR 100 to 300 m and will include significant outflows for restructuring and integration activities.

For its **E-Mobility division**, the group expects revenue for 2026 within a range of approximately EUR 5.2 to 5.8 bn, representing revenue growth of 4.0 to 16.0%, excluding the impact of currency translation. The EBIT margin before special items is expected to amount to -15.0 to -13.0%.

For the **Powertrain & Chassis division**, the Schaeffler Group expects revenue within a range of approximately EUR 8.0 to 8.6 bn, representing revenue growth within a range of -10.1 to -3.4%, excluding the impact of currency translation, while the EBIT margin before special items is forecasted at 10.0 to 12.0%.

For the **Vehicle Lifetime Solutions division**, the group forecasts revenue for 2026 within a range of approximately EUR 3.1 to 3.3 bn. This represents revenue growth of 3.3 to 10.0%, excluding the impact of currency translation. Further, the division's EBIT margin before special items is expected to amount to 13.5 to 15.5%.

Outlook 2026

	Actual 2025	Outlook 2026
Schaeffler Group		
Revenue [1]	EUR 23.5 bn	EUR 22.5 to 24.5 bn
EBIT margin before special items [2]	4.0%	3.5 to 5.5%
Free cash flow [3]	EUR 266 m	EUR 100 to 300 m
E-Mobility division		
Revenue [1]	EUR 5.0 bn	EUR 5.2 to 5.8 bn
EBIT margin before special items [2]	-16.0%	-15.0 to -13.0%
Powertrain & Chassis division		
Revenue [1]	EUR 8.9 bn	EUR 8.0 to 8.6 bn
EBIT margin before special items [2]	10.5%	10.0 to 12.0%
Vehicle Lifetime Solutions division		
Revenue [1]	EUR 3.0 bn	EUR 3.1 to 3.3 bn
EBIT margin before special items [2]	14.8%	13.5 to 15.5%
Bearings & Industrial Solutions division		
Revenue [1]	EUR 6.4 bn	EUR 6.2 to 6.7 bn
EBIT margin before special items [2]	7.5%	7.0 to 9.0%

[1] The outlook for "constant-currency revenue growth", one of the key financial performance indicators, is set out in the text.
[2] Please refer to pp. 23 et seq. for the definition of special items.
[3] Before cash in- and outflows for M&A activities.

The **Bearings & Industrial Solutions division** is expected to generate revenue within a range of approximately EUR 6.2 to 6.7 bn, representing revenue growth of -3.1 to 4.7%, excluding the impact of currency translation, and an EBIT margin before special items of 7.0 to 9.0% in 2026.

Herzogenaurach, February 24, 2026

The Board of Managing Directors

Financial statements 2025

Balance sheet

1. Balance sheet

in €	12/31/2025	12/31/2024	Change in %
ASSETS			
Intangible assets	**281.00**	**591.00**	**-52.5**
Property, plant and equipment	**2,445,320.60**	**2,559,426.00**	**-4.5**
Shares in affiliated companies	17,499,827,501.45	17,549,543,034.11	-0.3
Loans receivable from affiliated companies	1,222,422,135.24	1,201,076,559.56	1.8
Other loans receivable	1,000,000.00	0.00	› 100
Long-term financial assets	**18,723,249,636.69**	**18,750,619,593.67**	**-0.1**
Fixed assets	**18,725,695,238.29**	**18,753,179,610.67**	**-0.1**
Trade receivables	814,085.62	0.00	› 100
Receivables from affiliated companies	11,360,390,180.36	11,387,190,008.93	-0.2
Receivables from entities to which the company is linked by equity ownership	0.00	944.68	-100
Other assets	122,932,336.19	76,633,803.07	60.4
Receivables and other assets	**11,484,136,602.17**	**11,463,824,756.68**	**0.2**
Cash at banks	1,366,938,960.58	236,707,734.75	› 100
Current assets	**12,851,075,562.75**	**11,700,532,491.43**	**9.8**
Prepaid expenses and deferred charges	908,144.25	9,126,726.21	-90.0
Excess of plan assets over post-employment benefit liability	4,178,586.13	5,194,542.10	-19.6
Total assets	**31,581,857,531.42**	**30,468,033,370.41**	**3.7**

in €	12/31/2025	12/31/2024	Change in %
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	944,884,641.00	944,884,641.00	0.0
Capital reserves	4,291,692,932.87	4,291,692,932.87	0.0
Revenue reserves	4,514,041,671.82	4,332,890,571.35	4.2
Retained earnings	374,611,559.08	417,372,260.72	-10.2
Shareholders' equity	**10,125,230,804.77**	**9,986,840,405.94**	**1.4**
Provisions for pensions and similar obligations	79,905,439.51	80,911,620.06	-1.2
Tax provisions	29,727,588.86	40,912,010.60	-27.3
Other provisions	168,013,984.45	148,095,325.83	13.4
Provisions	**277,647,012.82**	**269,918,956.49**	**2.5**
Bonds	5,250,000,001.18	4,100,000,001.17	28.0
Bank debt	1,683,000,000.00	1,814,500,000.01	-7.2
Trade payables	9,074,740.91	32,391,547.01	-72.0
Amounts payable to affiliated companies	14,097,884,796.30	14,164,009,351.55	-0.5
Other liabilities (including taxes of EUR 2,287,350.13 (prior year: EUR 2,068,391.26), including social security contributions of EUR 987.02 (prior year: EUR 2,457.11))	139,020,175.44	100,373,108.24	38.5
Liabilities	**21,178,979,713.83**	**20,211,274,007.98**	**4.8**
Total shareholders' equity and liabilities	**31,581,857,531.42**	**30,468,033,370.41**	**3.7**

2. Income statement

	in €	2025	2024	Change in %
1	Revenue	35,395,946.47	36,791,558.93	-3.8
2	Cost of sales	-33,488,207.90	-34,387,952.93	-2.6
3	**Gross profit**	**1,907,738.57**	**2,403,606.00**	**-20.6**
4	General and administrative expenses	-237,969,065.94	-230,720,796.37	3.1
5	Other operating income	678,262,151.11	576,560,185.53	17.6
6	Other operating expenses	-706,914,854.36	-739,032,749.62	-4.3
7	Income from equity investments	1,211,481,889.06	1,571,446,255.57	-22.9
	• from affiliated companies EUR 1,211,481,889.06 (prior year: EUR 1,571,446,255.57)			
8	Income from other securities and long-term loans receivable	48,332,376.92	35,732,998.56	35.3
	• from affiliated companies EUR 48,332,376.92 (prior year: EUR 35,732,998.56)			
9	Other interest and similar income	85,072,427.10	83,088,470.60	2.4
	• from affiliated companies EUR 51,943,604.42 (prior year: EUR 69,419,680.72)			
10	Write-downs of long-term financial assets	-49,905,532.69	0.00	› 100.0
11	Interest and similar expenses	-677,530,967.84	-836,722,041.15	-19.0
	• from affiliated companies EUR 384,795,410.64 (prior year: EUR 546,596,199.16)			
12	Income taxes (current year: benefit; prior year: expense)	21,922,388.03	-45,716,669.11	‹ 100.0
13	**Earnings after income taxes**	**374,658,549.96**	**417,039,260.01**	**-10.2**
14	Other taxes	-46,990.88	333,000.71	‹ 100.0
15	**Net income for the year**	**374,611,559.08**	**417,372,260.72**	**-10.2**
16	Retained earnings brought forward	0.00	0.00	0.0
17	Withdrawal from other revenue reserves	0.00	0.00	0.0
18	**Retained earnings**	**374,611,559.08**	**417,372,260.72**	**-10.2**

3. Notes to the financial statements

3.1 General information on the financial statements

Schaeffler AG, Herzogenaurach, is registered in the Commercial Register B of the Fürth Local Court under No. HRB 14738.

These financial statements were prepared in accordance with the requirements of the German Commercial Code ("Handelsgesetzbuch" – HGB) and the supplementary provisions of the German Stock Companies Act ("Aktiengesetz"). The income statement has been prepared in the cost of sales format.

3.2 Accounting policies

Intangible assets are recognized at acquisition cost and amortized on a straight-line basis over their expected useful life of two to four years.

Property, plant and equipment is measured at acquisition or manufacturing cost net of straight-line depreciation. The company expects useful lives to be two to eight years.

Shares in affiliated companies and **loans receivable from affiliated companies** are recognized at acquisition cost or, where there is a permanent impairment, at their lower fair value. Write-downs are reversed when the cause of the permanent impairment no longer exists.

Receivables and other assets are measured at face value taking into account all known risks. Non-interest-bearing receivables and other assets with a remaining term of more than one year are discounted back to the balance sheet date.

Cash at banks is measured at face value.

Prepaid expenses and deferred charges are recognized at the amount that is reasonably attributable to periods subsequent to the balance sheet date.

Excess of plan assets over post-employment benefit liability is the net amount of retirement benefit obligations and assets that are protected from access by all other creditors and whose exclusive purpose is settling liabilities and similar long-term obligations. The assets offset in this balance are valued at fair value or at the price quoted for the plan assets in the capital markets.

Shareholders' equity is recognized at nominal value.

Deferred taxes are calculated on temporary differences between amounts recognized for financial reporting and for tax purposes for assets, liabilities, prepaid expenses and deferred charges, as well as deferred income and on interest- and loss carry-forwards. This includes the differences between financial reporting and tax balance sheets of subsidiaries that are part of the same tax group as Schaeffler AG and of partnerships. The tax rate used to calculate deferred taxes is 24.0% (prior year: 28.8%), the rate expected to apply when the differences reverse or the loss carry-forwards are utilized. The change in tax rate is the result of an amendment to the Corporate Income Tax Act ("Körperschaftssteuergesetz"). Starting January 1, 2028, the corporate income tax rate will be gradually lowered from currently 15% to 10%. The relevant balance sheet items were scheduled. Deferred tax liabilities are offset against deferred tax assets. The net asset balance is not recognized in the balance sheet.

The BEPS Pillar 2 rules ("Mindestbesteuerungsrichtlinie-Umsetzungsgesetz" – MinBestRL-UmsG) were transposed into German law ("MindeststeuerGesetz" – MinStG) before the balance sheet date and have been in effect since January 1, 2024. The Schaeffler Group is subject to these rules.

The minimum tax is charged at the level of INA-Holding Schaeffler GmbH & Co. KG, the parent company of the IHO Group as a whole (referred to as "ultimate parent entity"). Schaeffler AG, the parent company of the Schaeffler subgroup, is considered a "partially owned parent entity".

The Schaeffler Group applies the temporary mandatory exemption regarding recognition of deferred taxes that arise from introduction of the global minimum tax and recognizes these as current income tax as incurred.

Provisions for pensions and similar obligations are determined by actuarial calculations using the projected unit credit method (PUC) based on the "Heubeck-Richttafeln 2018 G" (prior year: "Heubeck-Richttafeln 2018 G") mortality tables. The obligations under the securities-linked pension commitments (SPP plan) are recognized at the fair value of the assets. Commitments covered by reimbursement insurance are valued under the asset-based approach using the actuarial reserve method. The valuation of pension provisions reflects future annual salary increases of 3.25% (prior year: 3.25%), pension increases of 1.0 and 2.2% (prior year: 1.0 and 2.2%), and an employee turnover rate of 2.1% (prior year: 2.1%). Pension obligations are discounted at the average of the previous ten years' market interest rate based on an assumed term of 15 years, as published by the German Central Bank ("Deutsche Bundesbank") as at December 31, 2025. This discount rate is 2.06% (prior year: 1.90%). The impact

of changes in the discount rate and income or expense on plan assets is presented under financial result. In determining the fair value of plan assets, insurance policies are measured at asset value, cash at face value, and funds at market value.

Tax and other provisions are recognized at their expected settlement amount taking into account all known risks, uncertain obligations, and pending losses evaluated using reasonable business judgment. Future increases in prices and costs are reflected in the calculation to the extent sufficient objective evidence of their occurrence exists. Provisions due in more than one year have been discounted at the average of the previous seven years' market interest rate appropriate to their remaining term to maturity as published by the German Central Bank.

Derivative financial instruments are measured separately using market prices. Fair value is determined using discounted cash flow valuation models and the exchange rates in effect at the end of the reporting period as well as risk-adjusted interest and discount rates appropriate to the instruments' terms. Any resulting unrealized losses are recognized in profit or loss.

The **Performance Share Unit Plan (PSUP)** is accounted for as a cash-settled share-based payment plan and the related provision, measured at the fair value of the payment obligation attributable to the period up to the reporting date, is presented under other provisions. The obligations are remeasured as at each balance sheet date. The fair value is determined using a Monte Carlo simulation. The model reflects the terms of the relevant contract (including payout floors and caps, performance scale for the TSR-based performance target, expected dividend payments, as well as the volatility of Schaeffler AG common shares and the SXAGR and SXNGR benchmark indexes or the MDAX benchmark index). The resulting changes are recognized as personnel expense and presented under administrative expenses.

Bonds, bank debt, trade payables, amounts payable to affiliated companies, and other liabilities are recognized at their settlement amount.

Transactions denominated in foreign currency are translated at the mean spot exchange rate applicable on the balance sheet date. Any resulting unrealized losses are reflected in corresponding provisions for pending losses. Unrealized foreign exchange gains are only recognized to the extent they relate to receivables and liabilities due in up to one year. Balance sheet items denominated in foreign currency that form part of a hedging relationship designed to hedge currency risk and are subject to hedge accounting are translated at the mean spot exchange rate applicable on the transaction date.

3.3 Notes to the balance sheet

Fixed assets

in € thousands	Licenses	**Intangible assets**	Furniture and fixtures	Assets under construction	**Property, plant and equipment**	Shares in affiliated companies	Loans receivable from affiliated companies	Other loans receivable	**Long-term financial assets**	**Total**
Historical cost										
Balance as at January 01, 2025	208	**208**	1,736	1,941	**3,677**	17,549,543	1,201,077	0	**18,750,620**	**18,754,504**
Additions	0	**0**	183	183	**366**	0	70,686	1,000	**71,686**	**72,052**
Disposals	0	**0**	-221	0	**-221**	0	-49,150	0	**-49,150**	**-49,371**
Transfers	0	**0**	1,861	-1,861	**0**	0	0	0	**0**	
Balance as at December 31, 2025	**208**	**208**	**3,559**	**263**	**3,823**	**17,549,543**	**1,222,612**	**1,000**	**18,773,155**	**18,777,185**
Accumulated amortization, depreciation, and write-downs										
Balance as at January 01, 2025	207	**207**	1,118	0	**1,118**	0	0	0	**0**	**1,325**
Additions	1	**1**	480	0	**480**	49,716	190	0	**49,906**	**50,386**
Write-up	0	**0**	0	0	**0**	0	0	0		**0**
Disposals	0	**0**	-221	0	**-221**	0	0	0	**0**	**-221**
Balance as at December 31, 2025	**208**	**208**	**1,377**	**0**	**1,377**	**49,716**	**190**	**0**	**49,906**	**51,490**
Net book values										
as at January 01, 2025	**1**	**1**	**619**	**1,941**	**2,559**	**17,549,543**	**1,201,077**	**0**	**18,750,620**	**18,753,180**
as at December 31, 2025	**0**	**0**	**2,182**	**263**	**2,445**	**17,499,828**	**1,222,422**	**1,000**	**18,723,250**	**18,725,695**

A test of the shares in Schaeffler AG's affiliated companies for recoverability resulted in a write-down totaling EUR 49,716 thousand.

Long-term loans receivable from affiliated companies classified as fixed assets consist of EUR 476,887 thousand (prior year: EUR 474,358 thousand) due from Vitesco Technologies GmbH, EUR 476,000 thousand (prior year: EUR 431,000 thousand) due from Schaeffler Immobilien AG & Co. KG, EUR 156,535 thousand (prior year: EUR 146,569 thousand) due from Schaeffler Invest GmbH, EUR 100,000 thousand (prior year: EUR 118,000 thousand) due from Schaeffler Verwaltungsholding Vier GmbH, and EUR 13,000 thousand (prior year: EUR 0 thousand) due from Schaeffler Invest AB. The company no longer has any long-term loans receivable from Schaeffler Ultra Precision Drives GmbH as at the balance sheet date (prior year: EUR 31,150 thousand).

Receivables and other assets

Receivables and other assets

	12/31/2025			12/31/2024		
in € thousands	Due in up to one year	Due in 1 to 5 years	Due in more than 5 years	Due in up to one year	Due in 1 to 5 years	Due in more than 5 years
Receivables from affiliated companies	11,360,390	0	0	11,387,190	0	0
• including short-term loans of	9,513,534	0	0	9,692,658	0	0
• including other financial receivables of	554,405	0	0	61,026	0	0
• including trade receivables of	80,964	0	0	62,051	0	0
• including other receivables of	1,211,487	0	0	1,571,455	0	0
Receivables from entities to which the company is linked by equity ownership	0	0	0	1	0	0
• including trade receivables of	0	0	0	1	0	0
Other assets	122,932	0	0	76,634	0	0

Short-term loans receivable from Schaeffler Sondermaschinenbau AG & Co. KG were written down by EUR 43,000 thousand during the year. Other receivables from affiliated companies comprise Schaeffler AG's claim to the net income of Schaeffler Technologies AG & Co. KG of EUR 1,200,000 thousand (prior year: EUR 1,550,000 thousand), which has not yet been paid. Schaeffler Technologies AG & Co. KG paid EUR 1,550,000 thousand in respect of net income for the prior year to Schaeffler AG during the year. Schaeffler AG in turn used these funds entirely to pay off existing liabilities due to Schaeffler Technologies AG & Co. KG.

Due to the imparity principle, the company has not capitalized forward exchange contracts with positive market values of EUR 115,213 thousand (prior year: EUR 102,956 thousand) used to hedge currency risk from operations. The notional amount of these contracts is EUR 5,925,502 thousand (prior year: EUR 5,273,885 thousand).

Excess of plan assets over post-employment benefit liability

The assets offset against pension obligations consist mostly of reimbursement insurance policies as well as equity, fixed-income, and money market fund units.

The Managing Directors' company retirement benefit commitments are protected from insolvency by reimbursement insurance from Allianz. The assets transferred to Allianz in connection with this insurance policy represent plan assets.

The remaining company retirement benefit commitments (employees covered by collective agreements and senior managers) are protected from insolvency via the statutory insolvency protection from the German mutual pension protection association ("Pensions-Sicherungs-Verein auf Gegenseitigkeit" – PSVaG). Additional protection in the form of transferred assets is not obtained for these retirement benefits.

Excess of plan assets over post-employment benefit liability

in € thousands	12/31/2025	12/31/2024
Settlement amount of pensions and similar obligations	30,889	30,246
Fair value of plan assets offset	35,067	35,440
Excess of plan assets over post-employment benefit liability	**4,179**	**5,195**
Acquisition cost of plan assets offset	**31,464**	**35,201**

in € thousands	2025	2024
Interest income on plan assets offset	1,915	3,465
Interest expense on pensions and similar obligations [1]	-333	-828
Net interest income (expense)	**1,582**	**2,637**

[1] Interest expense relates to all of the company's pensions and similar obligations.

Shareholders' equity

Share capital

Schaeffler AG's share capital amounted to EUR 945 m as at December 31, 2025, and was unchanged from the prior year.

Share capital is divided into 944,884,641 (prior year: 944,884,641) no-par-value shares, each representing an interest in share capital of EUR 1.00. All of the shares are common voting shares.

INA-Holding Schaeffler GmbH & Co. KG held approximately 79% of Schaeffler's common shares as at December 31, 2025. The free float amounts to approximately 21%.

The annual general meeting on April 25, 2024, passed a resolution to create new authorized capital in accordance with the company's obligation under the merger agreement with Vitesco Technologies Group AG dated March 13, 2024. The resolution authorized the Board of Managing Directors, subject to approval by the Supervisory Board, to increase share capital in one or more installments by April 24, 2029, by a total of up to EUR 125 m by issuing up to 125 million new no-par-value shares in return for a contribution in kind in the form of claims of eligible shareholders to receive additional shares that have been confirmed by a court decision (section 11 (1) of the German Act on Appraisal Proceedings) or a court settlement (section 11 (2) to (4) of the German Act on Appraisal Proceedings) or recognized by the company in an out-of-court settlement to avoid or terminate appraisal proceedings. The exchange ratio set out in the merger agreement with Vitesco Technologies Group AG is the subject of appraisal proceedings pending at the Nuremberg-Fürth Regional Court since October 4, 2024.

Schaeffler AG had neither contingent capital nor any resolutions for the creation of contingent capital as at December 31, 2025.

Capital reserves

Capital reserves amounted to EUR 4,292 m as at December 31, 2025, and were unchanged from the prior year.

Revenue reserves

Revenue reserves amount to EUR 4,514 m (prior year: EUR 4,333 m) as at the reporting date and consist entirely of other revenue reserves.

Retained earnings

In 2025, a dividend of EUR 236 m (prior year: EUR 295 m) was paid to shareholders from retained earnings and the remaining EUR 181 m (prior year: EUR 131 m) was added to revenue reserves.

Retained earnings equal net income for the year of EUR 375 m (prior year: EUR 417 m).

The Board of Managing Directors and the Supervisory Board will propose to the annual general meeting to pay a dividend for 2025 of EUR 283 m and to add the remaining retained earnings of EUR 92 m to other revenue reserves.

Pension provisions

Pension provisions largely represent company retirement benefits for employees covered by collective agreements based on pension schemes and individual commitments made to senior managers.

Net amount of pensions and similar obligations

in € thousands	12/31/2025	12/31/2024
Settlement amount of pensions and similar obligations	-104,470	-99,429
Fair value of plan assets offset	24,564	18,517
Net amount of pensions and similar obligations	**-79,905**	**-80,912**
Acquisition cost of plan assets offset	**24,561**	**19,936**

Other provisions

Other provisions

in € thousands	12/31/2025	12/31/2024
Provisions for pending losses on open transactions	95,203	90,941
Provisions for profit sharing, other bonuses, and share-based payments	53,506	20,437
Miscellaneous other provisions	19,304	36,717
Total other provisions	**168,013**	**148,095**

The company has recognized EUR 95,203 thousand (prior year: EUR 90,941 thousand) in provisions for pending losses for negative market values of forward exchange contracts used to hedge currency risk from operations. The notional amount of these contracts is EUR 5,401,190 thousand (prior year: EUR 4,463,054 thousand).

Liabilities

Liabilities

	12/31/2025			12/31/2024		
in € thousands	Due in up to one year	Due in 1 to 5 years	Due in more than 5 years	Due in up to one year	Due in 1 to 5 years	Due in more than 5 years
Bonds (not convertible)	500,000	3,400,000	1,350,000	750,000	500,000	2,850,000
Bank debt	0	1,433,000	250,000	221,390	847,030	746,080
Trade payables	9,075	0	0	32,392	0	0
Amounts payable to affiliated companies	14,097,885	0	0	14,164,009	0	0
• including loans of	11,000,092	0	0	10,863,130	0	0
• including other financial debt of	3,045,219	0	0	3,266,374	0	0
• including trade payables of	10,371	0	0	1,664	0	0
• including other liabilities of	42,203	0	0	32,842	0	0
Other liabilities	139,020	0	0	100,373	0	0
• including taxes of	2,287	0	0	2,068	0	0

The increase in financial debt compared to December 31, 2024, is primarily due to the issuance of two bond series with a total volume of EUR 1.15 bn in March 2025 and a further EUR 750 m bond issuance in November 2025. The April transaction consisted of two tranches (EUR 550 m with a coupon of 4.250%, due in April 2028, and EUR 600 m with a coupon of 5.375%, due in April 2031). The issuances were partly offset by Schaeffler AG redeeming an outstanding bond series of EUR 750 m upon maturity in October 2025.

Furthermore, EUR 90 m were drawn under loans from KfW IPEX-Bank in the first half of 2025. Furthermore, the Schaeffler Group entered into and drew down three lines of credit totaling approximately EUR 176 m in June 2025. This was partly offset by Schaeffler AG redeeming EUR 222 m in Schuldschein loans upon maturity in March and in May 2025.

The company has short-term loans payable to affiliated companies related to its cash pooling function and responsibility for the internal group financing of the Schaeffler Group.

There are no liens or similar rights as at the balance sheet date. As in the prior year, amounts payable to affiliated companies do not include any amounts payable to shareholders as at the reporting date.

Deferred taxes (net)

Deferred tax liabilities significant in amount result from differences between amounts recognized in financial reporting and tax balance sheets with respect to long-term financial assets. Deferred tax assets offset against these deferred tax liabilities mainly also result from long-term financial assets as well as from pension provisions and the related plan assets.

3.4 Notes to the income statement

Analysis of revenue

Analysis of revenue

in € thousands	2025	2024
Domestic	21,156	35,650
Foreign	14,240	1,141
Total revenue	**35,396**	**36,792**

As Schaeffler AG is the ultimate parent company of the Schaeffler Group, it provides services as part of managing the group; these services include public relations activities, treasury, legal consulting, tax consulting, compliance, human resources, internal audit, quality management, and general management.

Disclosures required for the cost of sales format

Disclosures required for the cost of sales format

in € thousands	2025	2024
Wages and salaries	134,732	100,760
Social security, post-employment, and other employee benefit costs	18,300	14,723
• including post-employment benefits of	6,948	5,033
Personnel expense	**153,032**	**115,483**

Foreign exchange gains and losses and income and expenses from discounting/ compounding provisions

Other operating income includes foreign exchange gains of EUR 637,138 thousand (prior year: EUR 416,852 thousand). Other operating expenses include foreign exchange losses of EUR 621,699 thousand (prior year: EUR 433,310 thousand).

Other interest and similar income includes EUR 81 thousand in expenses (prior year: EUR 427 thousand in income) from discounting provisions and EUR 308 thousand in income (prior year: EUR 828 thousand in expenses) from compounding provisions, as offsetting is required under section 246 (2) sentence 2 HGB.

Other operating expenses

In 2025, other operating expenses include the loss on the write-down of short-term loans receivable totaling EUR 66 m. In the prior year, other operating expenses included a loss on the disposal of the Ewellix Group of EUR 246 m. The loss resulted from the transfer of the shares in Schaeffler Holding Sverige AB to Schaeffler Technologies AG & Co. KG as a contribution in kind based on a resolution passed in 2024; Schaeffler Holding Sverige AB largely comprised the operations of the Ewellix Group that was acquired in 2023. The amount of the loss was the difference between the book value and the fair value of the shares. Additionally, other operating expenses also included the impact of the merger with Vitesco Technologies Group AG of EUR 24 m in the prior year.

Expenses and income related to prior years

Expenses and income related to prior years

in € thousands	2025	2024
Tax expense and benefits related to prior years	58,124	-13,933
Gains on reversal of provisions	11,356	1,313
Income (prior year: expenses) related to prior years	**69,480**	**-12,620**

Interest result

Although interest expenses on external liabilities increased, this impact was overcompensated by lower interest rates on intercompany transactions, resulting in an overall decline in interest expenses and, hence, an improvement in interest result compared to the prior year.

3.5 Other disclosures

Contingent liabilities

The company had EUR 224,196 thousand (prior year: EUR 212,056 thousand) in guarantees outstanding for the benefit of affiliated companies as at December 31, 2025.

Given the earnings of the affiliated companies, the company considers the financial risk to Schaeffler AG potentially arising from claims under its guarantees for the liabilities of others to be low.

The company is the general partner of the following companies:

- Schaeffler Technologies AG & Co. KG, Herzogenaurach,
- Schaeffler Immobilien AG & Co. KG, Herzogenaurach,
- Schaeffler Industrial Remanufacturing Services AG & Co. KG, Herzogenaurach
- Schaeffler Sondermaschinenbau AG & Co. KG, Herzogenaurach

Other financial obligations

Other financial obligations

in € thousands	2025	2024	Change in %
Off-balance sheet payment obligations	21,302	26,422	-19.4
• including obligations under multi-year leases of	20,625	25,745	-19.9
• including obligations to affiliated companies of	677	677	0.0

Average number of employees for the year

Average number of employees

	2025	2024	Change in %
Salaried employees	654	587	11.5
Temporary staff	29	33	-12.8
Total	**683**	**620**	**10.2**

Governing bodies of the company

Board of Managing Directors

The members of the Board of Managing Directors of Schaeffler AG, Herzogenaurach, are as follows:

Klaus Rosenfeld
Chief Executive Officer

Appointed: October 24, 2014
Term of office ends: June 30, 2029
Seats on supervisory and similar boards: member of the Supervisory Board of AUMOVIO SE, Frankfurt/Main; member of the Supervisory Board of Continental AG, Hanover; Supervisor of Schaeffler Holding (China) Co. Ltd., Shanghai, China; member of the Advisory Board of Schaeffler Immobilien AG & Co. KG, Herzogenaurach (until October 21, 2025)

Dr. Astrid Fontaine
Chief Human Resources Officer

Appointed: January 1, 2024
Term of office ends: December 31, 2026
Seats on supervisory and similar boards: member of the Advisory Board of Schaeffler Consulting GmbH, Herzogenaurach

Christophe Hannequin (since September 1, 2025)
Chief Financial Officer

Appointed: September 1, 2025
Term of office ends: August 31, 2028
Seats on supervisory and similar boards: member of the Advisory Board of Schaeffler Immobilien AG & Co. KG, Herzogenaurach

Andreas Schick
Chief Operating Officer

Appointed: April 1, 2018
Term of office ends: March 31, 2026
Seats on supervisory and similar boards: member of the Supervisory Board of SupplyOn AG, Hallbergmoos; member of the Advisory Board of Schaeffler Immobilien AG & Co. KG, Herzogenaurach (until October 21, 2025); member of the Board of Directors of Schaeffler India Ltd., Pune, India

Jens Schüler
CEO Vehicle Lifetime Solutions

Appointed: January 1, 2022
Term of office ends: December 31, 2029
Seats on supervisory and similar boards: member of the shareholder committee of Caruso GmbH, Mannheim; member of the shareholder committee of TecAlliance GmbH, Ismaning; chairman of the Advisory Board of Partslife GmbH, Neu-Isenburg; member of the Board of Directors of Schaeffler India Ltd., Pune, India

Thomas Stierle
CEO E-Mobility

Appointed: October 1, 2024
Term of office ends: September 30, 2027

Uwe Wagner
Chief Technology Officer

Appointed: October 1, 2019
Term of office ends: September 30, 2027
Seats on supervisory and similar boards: member of the Advisory Board of Compact Dynamics GmbH, Starnberg (until April 14, 2025); member of the Advisory Board of Schaeffler ByWire Technologie GmbH & Co. KG, Herzogenaurach (until February 12, 2025); member of the Advisory Board of Xtronic GmbH, Boeblingen

Sascha Zaps
CEO Bearings & Industrial Solutions

Appointed: May 1, 2024
Term of office ends: April 30, 2027

Matthias Zink
CEO Powertrain & Chassis

Appointed: January 1, 2017
Term of office ends: December 31, 2029
Seats on supervisory and similar boards: chairman of the Advisory Board of Schaeffler ByWire Technologie GmbH & Co. KG, Herzogenaurach (until February 12, 2025); Supervisor of Schaeffler (China) Co., Ltd., Taicang, China

The following member left the Board of Managing Directors in 2025

Claus Bauer (until August 31, 2025)
Chief Financial Officer

Appointed: September 1, 2021
Term of office ended: August 31, 2025
Seats on supervisory and similar boards: member of the Advisory Board of Schaeffler Immobilien AG & Co. KG, Herzogenaurach (until August 31, 2025)

More on the functions and divisions on pp. 2 et seq.

Supervisory Board

The company has a Supervisory Board consisting of 20 members in accordance with section 11 of its articles of incorporation. The members of the Supervisory Board are as follows:

Georg F. W. Schaeffler
Shareholder of INA-Holding Schaeffler GmbH & Co. KG
Chairman of the Supervisory Board of Schaeffler AG

Appointed: October 24, 2014
Seats on supervisory and similar boards: member of the Advisory Board of ATESTEO Management GmbH, Herzogenaurach; member of the Supervisory Board of AUMOVIO SE, Frankfurt/Main; member of the Supervisory Board of Continental AG, Hanover

Horst Ott*
Regional Director of IG Metall Bavaria
Deputy Chairman of the Supervisory Board of Schaeffler AG

Appointed: April 25, 2024
Seats on supervisory and similar boards: member of the Supervisory Board of BMW AG, Munich

Sabine Bendiek
Senior advisor

Appointed: April 24, 2019
Seats on supervisory and similar boards: member of the Supervisory Board of DSV-Global Transport and Logistics, Denmark; member of the Board of Directors of HBX Group, Spain; Chairwoman of the board of directors of Sensio AS, Norway; member of the Advisory Board of Sunlight Group Energy Storage Systems Industrial and Commercial Single Member Société Anonyme, Athens, Greece; member of the Supervisory Board of Suse S.A., Luxemburg; member of the Advisory Board of Vistra Ltd., Singapore

Grigore Beutura* (since April 24, 2025)
Deputy Chairman of the Works Council
Schaeffler Technologies AG & Co. KG
Deputy Chairman of the Group Works Council Schaeffler AG
Member of the European Works Council of Schaeffler AG

Appointed: April 24, 2025

Manfred Eibeck (since April 24, 2025)
Investor and consultant

Appointed: April 24, 2025
Seats on supervisory and similar boards: member of the Advisory Board of Binz Automotive GmbH, Ilmenau; member of the Supervisory Board of CMBlu Energy AG, Alzenau; Deputy Chairman of the Supervisory Board of Steyr Automotive GmbH, Steyr, Austria

Dr. Holger Engelmann
Supervisory Board member, senior adviser

Appointed: December 1, 2014

Ulrike Hasbargen (until April 24, 2025; since May 21, 2025)
Tax consultant/auditor

Appointed: April 23, 2021 until April 24, 2025, reappointed on May 21, 2025
Seats on supervisory and similar boards: member of the Supervisory Board of EY Deutschland GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart; member of the Supervisory Board of EY Verwaltungs-GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart

Susanne Heckelsberger (since April 24, 2025)
Consultant, interim manager, Supervisory Board member

Appointed: April 24, 2025
Seats on supervisory and similar boards: member of the Supervisory Board and Chairwoman of the audit committee of Stabilus SE, Frankfurt/Main; member of the Supervisory Board and Chairwoman of the audit committee of Villeroy & Boch AG, Mettlach; member of the Supervisory Board and Chairwoman of the audit committee of Washtec AG, Augsburg (since May 13, 2025)

Lisa Hinrichsen* (since April 24, 2025)
Deputy Chairwoman of the Works Council,
Vitesco Technologies GmbH Nuremberg

Appointed: April 24, 2025

KR Joachim Hirsch (since April 24, 2025)
Business consultant

Appointed: April 24, 2025

Thomas Höhn*
1st authorized representative IG Metall Schweinfurt

Appointed: May 8, 2020

Michael Kicker* (since April 24, 2025)
Member of the Works Council Vitesco Technologies GmbH
Regensburg plant
Manufacturing technology engineer

Appointed: April 24, 2025

Antje Mütherig* (since April 24, 2025)
Exempt works council representative

Appointed: April 24, 2025

* Employee representative on the Supervisory Board.

Dr. Alexander Putz*
Plant manager Herzogenaurach

Appointed: October 1, 2022

Maja Reusch* (since January 8, 2025)
1st authorized representative IG Metall – Offenburg office

Appointed: January 8, 2025
Seats on supervisory and similar boards: member of the Supervisory Board of Grohe AG, Hemer

Volker Robl* (since April 24, 2025)
Chairman of the Works Council Buehl plant
Member of the Group Works Council Schaeffler AG
Deputy spokesperson of the Economic Committee Group Works Council

Appointed: April 24, 2025

Ulrich Schöpplein*
Deputy Chairman of the Works Council Schaeffler Technologies AG & Co. KG Schweinfurt plant
Chairman of the Group Works Council Schaeffler Technologies AG & Co. KG
Deputy Chairman of the European Works Council of Schaeffler AG

Appointed: March 26, 2024

Robin Stalker
Chartered Accountant

Appointed: December 1, 2014
Seats on supervisory and similar boards: member of the Supervisory Board of AUMOVIO SE, Frankfurt/Main; member of the Supervisory Board of Hugo Boss AG, Metzingen (until May 15, 2025); Deputy Chairman of the Supervisory Board of Schmitz Cargobull AG, Horstmar

* Employee representative on the Supervisory Board.

Prof. TU Graz e.h. KR Ing. Siegfried Wolf
Entrepreneur

Appointed: October 24, 2014
Seats on supervisory and similar boards: member of the Supervisory Board of Miba AG, Laakirchen, Austria; member of the Supervisory Board of Mitterbauer Beteiligungs-AG, Laakirchen, Austria; member of the Supervisory Board of Porsche Automobil Holding SE, Stuttgart; Chairman of the Supervisory Board of Steyr Automotive GmbH, Steyr, Austria;

Prof. Dr.-Ing. Tong Zhang
Director of Institute of Fuel Cell Vehicle Technology, Yangze Delta Regional Institute of Tsinghua University

Appointed: December 1, 2014
Seats on supervisory and similar boards: Chairman of the Board of Directors of D.R. (Zhejiang) Powertrain Technology Co., Ltd., Jiaxing, China; Independent director of Zhejiang Tieliu Clutch Co., Ltd., Hangzhou, China

The following members left the Supervisory Board in 2025

Prof. Dr. Hans-Jörg Bullinger (until April 24, 2025)
CEO Fraunhofer Foundation

Appointed: December 1, 2014
Seats on supervisory and similar boards: member of the Supervisory Board of Bauerfeind AG, Zeulenroda-Triebes; member of the Supervisory Board of Bilz AG, Leonberg

Prof. Dr. Bernd Gottschalk (until April 24, 2025)
Owner and Managing Partner of AutoValue GmbH

Appointed: December 1, 2014
Seats on supervisory and similar boards: member of the management board of AEye, Inc., Dublin, U.S.; member of the Supervisory Board of BENTELER International Austria GmbH, Salzburg, Austria; member of the Supervisory Board of OPmobility SE, Levallois-Perret, France

Hanna Köhler* (until April 24, 2025)
Chair of the Works Council Schaeffler Technologies AG & Co. KG

Appointed: December 9, 2024

Susanne Lau* (until April 24, 2025)
Industrial management assistant
Chairwoman of the Works Council Hamburg

Appointed: August 8, 2018

Jürgen Schenk* (until April 24, 2025)
Chairman of the General Works Council Schweinfurt

Appointed: May 8, 2020

Helga Schönhoff* (until April 24, 2025)
Member of the Works Council Schaeffler Automotive Bühl GmbH & Co. KG

Appointed: May 8, 2020

Markus Zirkel* (until April 24, 2025)
Chairman of the Works Council Hirschaid

Appointed: May 8, 2020
Seats on supervisory and similar boards: member of the Supervisory Board of VR-Bank Bamberg Forchheim eG, Bamberg

Prof. h.c. Katherina Reiche (until April 28, 2025)
Federal Minister for Economic Affairs and Energy

Appointed: April 20, 2023
Seats on supervisory and similar boards: member of the Supervisory Board of DEW21 GmbH, Dortmund (until May 2025); Deputy Chairwoman of the Supervisory Board of NEW AG (until April 30, 2025), Moenchengladbach; member of the Supervisory Board of RheinEnergie AG, Cologne (until May 2025); member of the Board of Directors of VGP NV, Antwerp, Belgium (until April 30, 2025)

Total remuneration of the company's governing bodies

Total remuneration of the Board of Managing Directors in accordance with section 285 (9a) (1-3) HGB amounted to EUR 32 m (prior year: EUR 18 m) in 2025.

The following share-based remuneration was granted to members of the Board of Managing Directors in 2025 under the Performance Share Unit Plan (PSUP) implemented in 2015 and amended in 2020: 835,168 Performance Share Units (PSU) subject to a service condition (fair value at grant date per PSU of EUR 3.62 for grant date February 21, 2025), a maximum of 730,762 PSUs subject to an EPS-based performance target (fair value at grant date per PSU of EUR 3.62 for February 21, 2025), a maximum of 730,762 PSUs subject to a TSR-based performance target tied to the MDAX (fair value at grant date per PSU of EUR 1.58 for February 21, 2025), and a maximum of 1,043,960 PSUs with a climate target (fair value at grant date per PSU of EUR 3.62 for February 21, 2025). The maximum number of EPS-, TSR-, and climate-related PSUs granted corresponds to a target achievement rate of 200%.

The following share-based remuneration was granted to members of the Board of Managing Directors in the prior year: 466,346 Performance Share Units (PSU) subject to a service condition (fair value at grant date per PSU of EUR 4.21 for grant date February 23, 2024), a maximum of 408,052 PSUs subject to an EPS-based performance target (fair value at grant date per PSU of EUR 4.21 for February 23, 2024), a maximum of 408,052 PSUs subject to a TSR-based performance target tied to the sector basket (fair value at grant date per PSU of EUR 1.84 for February 23, 2024), and a maximum of 582,934 PSUs with a climate target (fair value at grant date per PSU of EUR 4.21 for February 23, 2024). The maximum number of EPS-, TSR-, and climate-related PSUs granted corresponds to a target achievement rate of 200%.

Provisions for the PSUP amounted to EUR 18 m as at December 31, 2025 (prior year: EUR 8 m).

Short-term benefits paid to members of Schaeffler AG's Supervisory Board amounted to EUR 1.8 m (prior year: EUR 1.8 m).

The company did not grant any other benefits to its key management personnel.

The remuneration system for the Board of Managing Directors and the Supervisory Board of Schaeffler AG is outlined in the remuneration report.

Former members of the Board of Managing Directors (and their surviving dependants) of Schaeffler AG and its legal predecessors received remuneration of EUR 3 m in 2025 (prior year: EUR 4 m).

Provisions for pensions and similar obligations for former members of the Board of Managing Directors (and their surviving dependants) of Schaeffler AG and its legal predecessors, before netting of related plan assets, amounted to EUR 42 m as at December 31, 2025 (prior year: EUR 33 m).

Information about the excess of plan assets over the post-employment benefit liability and about amounts not available for distribution

The difference between the amount recognized under section 253 (6) HGB for the provision for pensions and similar obligations based on the relevant average market interest rate for the past ten years and the amount that would have been recognized based on the relevant average market interest rate for the past seven years amounts to EUR -2,303 thousand (prior year: EUR -923 thousand).

Under section 268 (8) HGB, EUR 3,606 thousand (prior year: EUR 239 thousand) are not available for distribution, as they relate to assets measured at fair value.

Earnings are only available for distribution to the extent that distributable reserves remaining after such distribution plus any retained earnings brought forward less any losses brought forward are at least equal to the amounts not available for distribution.

Declaration of conformity with the German Corporate Governance Code

Schaeffler AG's Board of Managing Directors and the Supervisory Board issued the declaration of conformity with the German Corporate Governance Code pursuant to section 161 AktG in December 2025 and have made it publicly available on the Schaeffler Group's website (www.schaeffler.com/en/investor-relations/corporate-governance/corporate-governance-declarations).

Auditors' fees

The total fees charged by the financial statement auditors for 2025 are disclosed in the relevant note to the consolidated financial statements, broken down by financial statement audit services, other attestation services, and other services.

Fees for financial statement audit services related primarily to the audit of the consolidated financial statements of Schaeffler AG including the associated work on IFRS reporting packages of consolidated subsidiaries and the separate financial statements of Schaeffler AG as well as various subsidiaries, including statutory extensions of our engagement and the limited assurance engagement on the group sustainability statement of Schaeffler AG. Other attestation services consisted largely of reviews of interim

financial statements and associated IFRS reporting packages, as well as of attestation services in connection with the compliance management system and the remuneration report. Other services related mainly to consulting services with respect to project management.

Group affiliation

The company prepares consolidated financial statements and, in addition, is consolidated in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach. Both of these sets of financial statements are filed with the operator of the electronic Company Register, formerly Federal Gazette (Bundesanzeiger Verlag GmbH, Cologne) and published in the electronic Company Register.

Events after the reporting period

In a ruling handed down on February 20, 2026, the U.S. Supreme Court declared the import tariffs imposed by the U.S. government on the basis of the International Emergency Economic Powers Act to be unlawful. The Schaeffler Group closely monitors ongoing developments and analyzes possible courses of action to be able to respond quickly and take appropriate measures if necessary.

No other material events expected to have a significant impact on the net assets, financial position, or results of operations of Schaeffler AG occurred after December 31, 2025.

List of shareholdings

List of shareholdings of Schaeffler AG as at 12/31/2025

Entity	Location	Country code	Ownership interest in %	Equity in € thousands	Net income (loss) in € thousands
A. Affiliated companies					
I. Germany					
Compact Dynamics GmbH [1]	Starnberg	DE	100.0	4,624	0
Ewellix GmbH [1]	Schweinfurt	DE	100.0	6,814	0
Ewellix Holding Germany GmbH [1]	Frankfurt/Main	DE	100.0	6,820	0
heptus 630. GmbH	Munich	DE	100.0	25	0
Industriewerk Schaeffler INA-Ingenieurdienst-, GmbH [1]	Herzogenaurach	DE	100.0	897,050	0
LuK Unna GmbH & Co. KG	Unna	DE	100.0	4,708	540
Schaeffler Aerospace Germany Beteiligungs GmbH	Schweinfurt	DE	100.0	59	2
Schaeffler Aerospace Germany GmbH & Co. KG	Schweinfurt	DE	100.0	102,325	20,883
Schaeffler Automotive Buehl GmbH & Co. KG	Buehl	DE	100.0	2,453,328	135,590
Schaeffler Beteiligungsgesellschaft mbH	Herzogenaurach	DE	100.0	374	-5
Schaeffler Beteiligungsverwaltungs GmbH [1]	Herzogenaurach	DE	100.0	40,841	0
Schaeffler Bühl Auslandsholding GmbH [1]	Buehl	DE	100.0	59,059	0
Schaeffler Bühl Verwaltungs GmbH [1]	Buehl	DE	100.0	1,809,970	0
Schaeffler ByWire Management GmbH	Herzogenaurach	DE	100.0	2,285	-17
Schaeffler Consulting GmbH [1]	Herzogenaurach	DE	100.0	2,025	0
Schaeffler Digital Solutions GmbH [1]	Chemnitz	DE	100.0	622	0
Schaeffler Elmotec Statomat GmbH	Karben	DE	100.0	5,313	6,026
Schaeffler Engineering GmbH [1]	Werdohl	DE	100.0	5,348	0
Schaeffler Friction Products GmbH [1]	Morbach	DE	100.0	5,131	0
Schaeffler Hydrogen Europe GmbH	Herzogenaurach	DE	100.0	25	0
Schaeffler IAB Beteiligungs GmbH [1]	Herzogenaurach	DE	100.0	5,727,418	0
Schaeffler IAB Verwaltungs GmbH [1]	Herzogenaurach	DE	100.0	2,156,497	0
Schaeffler Immobilien AG & Co. KG	Herzogenaurach	DE	100.0	200,647	6,433
Schaeffler Industrial Drives AG & Co. KG	Suhl	DE	100.0	8,199	531
Schaeffler Industrial Remanufacturing Services AG & Co. KG	Herzogenaurach	DE	100.0	202	-86
Schaeffler Invest GmbH [1]	Herzogenaurach	DE	100.0	100	0
Schaeffler Monitoring Services GmbH [1]	Herzogenrath	DE	100.0	816	0
Schaeffler Raytech Verwaltungs GmbH [1]	Morbach	DE	100.0	15,781	0
Schaeffler Schweinfurt Beteiligungs GmbH [1]	Schweinfurt	DE	100.0	726,565	0
Schaeffler Sondermaschinenbau AG & Co. KG	Erlangen	DE	100.0	-17,447	-35,118
Schaeffler Technologies AG & Co. KG	Herzogenaurach	DE	100.0	13,445,450	620,844
Schaeffler Ultra Precision Drives GmbH	Hameln	DE	100.0	-11,809	766
Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG	Frankfurt/Main	DE	100.0	2,268,140	366,771
Schaeffler Vehicle Lifetime Solutions Holding GmbH [1]	Frankfurt/Main	DE	100.0	56,928	0
Schaeffler Versicherungs-Vermittlungs GmbH [1]	Herzogenaurach	DE	100.0	8,282	0
Schaeffler Verwaltungsholding Drei GmbH [1]	Herzogenaurach	DE	100.0	2,232,178	0
Schaeffler Verwaltungsholding Eins GmbH [1]	Herzogenaurach	DE	100.0	6,744,362	0
Schaeffler Verwaltungsholding Sechs GmbH [1]	Herzogenaurach	DE	100.0	1,586,890	0
Schaeffler Verwaltungsholding Vier GmbH [1]	Herzogenaurach	DE	100.0	36,526	0
Schaeffler Verwaltungsholding Zwei GmbH [1]	Herzogenaurach	DE	100.0	1,748,118	0
SPV Solarpark 106. GmbH & Co. KG	Kammerstein	DE	100.0	1,237	-243
Unterstützungskasse der FAG Kugelfischer e.V.	Schweinfurt	DE	100.0	0	14
Vitesco Technologies Beteiligungs GmbH	Regensburg	DE	100.0	122,252	1,641
Vitesco Technologies GmbH	Regensburg	DE	100.0	1,667,979	251,811
WPB Water Pump Bearing Beteiligungsgesellschaft mbH	Herzogenaurach	DE	100.0	82	3
WPB Water Pump Bearing GmbH & Co. KG	Herzogenaurach	DE	100.0	14,593	5,327
Xtronic GmbH [1]	Boeblingen	DE	100.0	3,402	0
II. Foreign					
Schaeffler Middle East FZE	Jebel Ali	AE	100.0	10,925	1,513
Schaeffler Vehicle Lifetime Solutions Argentina S.R.L.	Buenos Aires	AR	100.0	3,256	1,855
Schaeffler Austria GmbH	Berndorf-St. Veit	AT	100.0	10,680	-4,560
Schaeffler Australia Pty Ltd.	Belrose	AU	100.0	17,275	584
Schaeffler Aerosint SA	Herstal	BE	100.0	-5,336	-259

Entity	Location	Country code	Ownership interest in %	Equity in € thousands	Net income (loss) in € thousands
Schaeffler Belgium BV/SRL	Ghent	BE	100.0	14,963	910
Ewellix Bulgaria EOOD	Sofia	BG	100.0	918	39
Schaeffler Bulgaria OOD	Sofia	BG	100.0	1,015	-531
LuK do Brasil Embreagens Ltda.	Sorocaba	BR	100.0	69	6
Schaeffler Brasil Ltda.	Sorocaba	BR	100.0	139,715	34,136
Ewellix Canada Ltd.	Toronto	CA	100.0	2,711	615
Schaeffler Aerospace Canada Inc.	Stratford	CA	100.0	79,958	23,800
Schaeffler Canada Inc.	Oakville	CA	100.0	30,221	4,971
Vitesco Technologies Canada, Inc.	Chatham	CA	100.0	-3,137	-14,529
Ewellix Switzerland AG	Liestal	CH	100.0	10,589	-1,946
Schaeffler Schweiz GmbH	Romanshorn	CH	100.0	817	-5,219
Schaeffler Chile Rodamientos Ltda.	Santiago	CL	100.0	1,328	199
ETC Technology (Shanghai) Co., Ltd.	Shanghai	CN	92.6	3,208	-3,198
Ewellix Motion Technologies (Pinghu) Co., Ltd.	Pinghu City	CN	100.0	22,416	1,339
RepXpert Automotive Aftermarket Services Consulting (Shanghai) LLP	Shanghai	CN	70.4	2,786	-816
Schaeffler (China) Co., Ltd.	Taicang	CN	100.0	574,445	174,430
Schaeffler (Nanjing) Co., Ltd.	Nanjing City	CN	100.0	140,476	24,256
Schaeffler (Ningxia) Co., Ltd.	Yinchuan	CN	100.0	104,688	19,946
Schaeffler (Xiangtan) Co., Ltd.	Xiangtan	CN	100.0	75,731	18,651
Schaeffler Aerospace Bearings (Taicang) Co., Ltd.	Taicang	CN	100.0	624	-254
Schaeffler Automotive Aftermarket Services Consulting (Shanghai) Co.	Shanghai	CN	100.0	30,620	-25
Schaeffler Consulting Management (Shanghai) Co., Ltd.	Shanghai	CN	100.0	3,646	-1
Schaeffler Consulting Management (Taicang) Co., Ltd.	Taicang	CN	100.0	12,511	-10
Schaeffler Friction Products (Suzhou) Co., Ltd.	Suzhou	CN	100.0	46,714	4,145
Schaeffler Holding (China) Co., Ltd.	Shanghai	CN	100.0	867,194	458,074
Schaeffler Humanoids (Taicang) Co., Ltd.	Taicang	CN	100.0	0	0
Schaeffler Hydrogen Technology (Shanghai) Co., Ltd.	Shanghai	CN	100.0	3,250	-402
Schaeffler Import Export (Shanghai) Co., Ltd.	Shanghai	CN	100.0	3,347	279
Schaeffler Intelligent Driving Technology (Changsha) Co., Ltd.	Changsha	CN	100.0	311	-928
Schaeffler Smart Machinery (Taicang) Co., Ltd.	Taicang	CN	100.0	-793	-7,165
Schaeffler Trading (Shanghai) Co., Ltd.	Shanghai	CN	100.0	137,166	104,005
Vitesco Automotive Changchun Co., Ltd.	Changchun	CN	100.0	433,051	44,733
Vitesco Automotive Shanghai Co., Ltd.	Shanghai	CN	100.0	13,357	-4,264
Vitesco Automotive Tianjin Co., Ltd.	Tianjin	CN	100.0	107,516	-11,636
Vitesco Automotive Wuhu Co., Ltd.	Wuhu	CN	100.0	156,240	17,425
Vitesco Technologies Holding China Co., Ltd	Shanghai	CN	100.0	927,885	286,471
Wuhan Cathay Anqing Equity Investment Fund Partnership (LP)	Wuhan	CN	100.0	6,538	-339
Schaeffler Colombia Ltda.	Bogotá	CO	100.0	533	29
Schaeffler CZ s.r.o.	Prague	CZ	100.0	7,053	164
Schaeffler Production CZ s.r.o.	Lanskroun	CZ	100.0	52,099	-1,808
Vitesco Technologies Czech Republic s.r.o.	Trutnov	CZ	100.0	764,996	10,363
Schaeffler Danmark ApS	Aarhus	DK	100.0	15,367	403
Schaeffler Iberia, S.L.U.	Elgoibar	ES	100.0	32,426	2,872
Schaeffler Vehicle Lifetime Solutions Spain S.L.	Madrid	ES	100.0	16,996	2,818
Schaeffler Finland Oy	Espoo	FI	100.0	13,248	391
Eco-Adapt SAS	Paris	FR	100.0	5,799	2,066
Ewellix France SAS	Chambéry	FR	100.0	14,298	-2,010
Schaeffler France SAS	Haguenau	FR	100.0	169,678	-22,788
Schaeffler Vehicle Lifetime Solutions France SAS	Clamart	FR	100.0	14,841	3,277
Vitesco Technologies France S.A.S.	Toulouse	FR	100.0	270,500	36,962
Ewellix UK Limited	Milton Keynes	GB	100.0	475	-316
Schaeffler (UK) Limited	Sheffield	GB	100.0	87,273	5,039
Schaeffler Vehicle Lifetime Solutions UK Limited	Hereford	GB	100.0	11,190	648
Vitesco Technologies UK Ltd.	Basildon	GB	100.0	1,516	150
Schaeffler Greece Automotive and Industrial Products and Services M.E.P.E.	Athens	GR	100.0	697	76
Schaeffler Hong Kong Company Limited	Hong Kong	HK	100.0	986	-1,399
Schaeffler Hrvatska d.o.o.	Zagreb	HR	100.0	2,238	585
Schaeffler Debrecen Kft.	Debrecen	HU	100.0	21,185	292
Schaeffler Magyarorszag Ipari Kft.	Budapest	HU	100.0	6,917	702
Schaeffler Savaria Kft.	Szombathely	HU	100.0	261,712	22,274

Entity	Location	Country code	Ownership interest in %	Equity in € thousands	Net income (loss) in € thousands
Schaeffler Special Machinery Kft.	Szombathely	HU	100.0	91	80
Vitesco Technologies Hungary Kft.	Debrecen	HU	100.0	209,088	-43,150
PT. Schaeffler Solutions Indonesia	Jakarta	ID	100.0	4,994	-61
Schaeffler Israel Ltd.	Yokneam Illit	IL	100.0	800	146
Ewellix India Private Limited	Pune	IN	100.0	-443	-507
KRSV Innovative Auto Solutions Private Limited	Bengaluru	IN	74.1	-9,037	-6,048
SCHAEFFLER DIGITAL SOLUTIONS INDIA PRIVATE LIMITED	Baner, Pune	IN	100.0	12	-235
SCHAEFFLER GLOBAL SERVICES INDIA PRIVATE LIMITED	Pune	IN	100.0	734	-228
Schaeffler India Ltd.	Pune	IN	74.1	582,669	122,494
Schaeffler Technology Solutions India Pvt. Ltd.	Pune	IN	100.0	9,172	3,000
Vitesco Technologies India Private Limited	Pune	IN	100.0	90,712	14,565
Ewellix Italy S.r.l.	Turin	IT	100.0	3,692	176
INA Invest S.r.l.	Momo	IT	100.0	23,826	8,446
Schaeffler Italia S.r.l.	Momo	IT	100.0	53,258	5,287
Schaeffler Vehicle Lifetime Solutions Italy S.R.L.	Milan	IT	100.0	5,956	2,473
Schaeffler Water Pump Bearing Italia S.r.l.	Momo	IT	100.0	14,048	1,963
Schaeffler Japan Co., Ltd.	Yokohama	JP	100.0	29,775	7,035
Ewellix Korea Ltd.	Dangjeong-dong	KR	100.0	936	-89
Schaeffler Ansan Corporation	Ansan-shi	KR	100.0	42,597	4,893
Schaeffler Korea Corporation	Changwon-si	KR	100.0	195,949	14,093
Schaeffler Special Machinery Corporation	Changwon	KR	100.0	2,553	-1,079
Vitesco Technologies Korea LLC	Icheon-si (Gyeonggi-do)	KR	100.0	114,892	-68,758
Schaeffler Kazakhstan TOO	Almaty	KZ	100.0	-84	3
Schaeffler Industrial Ceramics SARL	Roeser	LU	100.0	3,391	473
Schaeffler Re S.A.	Luxemburg	LU	100.0	20,000	0
SIA “Schaeffler Baltic”	Riga	LV	100.0	2,079	284
Rodamientos FAG S.A. de C.V.	Puebla	MX	100.0	642	0
Schaeffler Mexico Holding, S. de R.L. de C.V.	Puebla	MX	100.0	152,914	15
Schaeffler Mexico Servicios, S. de R.L. de C.V.	Guanajuato	MX	100.0	6,576	729
Schaeffler Mexico, S. de R.L. de C.V.	Guanajuato	MX	100.0	108,629	87
Schaeffler Motion Technologies Maquila Mexico, S. de R.L. de C.V.	Silao de la Victoria	MX	100.0	83,919	23,085
Schaeffler Motion Technologies Mexico, S. de R.L. de C.V.	Silao de la Victoria	MX	100.0	129,642	-116,281
Schaeffler Special Machinery S. de RL de CV	Puebla	MX	100.0	2,553	-1,754
Schaeffler Transmisión, S. de R.L. de C.V.	Puebla	MX	100.0	345,579	77,401
Schaeffler Vehicle Lifetime Solutions Mexico, S. de R.L. de C.V.	Mexico City	MX	100.0	63,687	5,452
Schaeffler (Malaysia) Sdn. Bhd.	Kuala Lumpur	MY	100.0	12,464	347
Ewellix Benelux B.V.	Utrecht	NL	100.0	2,723	65
Hydron Energy B.V.	Barneveld	NL	100.0	973	132
Schaeffler Nederland B.V.	Barneveld	NL	100.0	-2,496	-3,205
Schaeffler Smart Maintenance Tools B.V.	Epe	NL	100.0	7,705	2,274
Schaeffler Special Machinery Netherlands B.V.	Barneveld	NL	100.0	1,102	55
Vitesco Technologies Holding Netherlands B.V.	Maastricht	NL	100.0	2,359,287	-820,159
Schaeffler Norge AS	Sandnes	NO	100.0	5,735	105
Schaeffler Peru S.A.C.	Lima	PE	100.0	939	234
Schaeffler Philippines Inc.	Makati City	PH	100.0	344	-162
Schaeffler Global Services Europe Sp. z o.o.	Wroclaw	PL	100.0	7,844	1,415
Schaeffler Industrial Poland Spolka z.o.o.	Warsaw	PL	100.0	5,100	131
Schaeffler Vehicle Lifetime Solutions Poland Spolka z.o.o.	Warsaw	PL	100.0	77,834	6,146
Schaeffler Portugal, Unipessoal, Lda.	Caldas da Rainha	PT	100.0	24,155	3,523
Schaeffler Romania S.R.L.	Brasov	RO	100.0	231,094	4,732
Vitesco Technologies Engineering Romania S.R.L.	Timisoara	RO	100.0	-46,479	-331
Vitesco Technologies Romania S.R.L.	Ghimbav	RO	100.0	148,443	-83,334
Schaeffler SR d.o.o.	Belgrade	RS	100.0	833	101
OOO COMSPA TECHNOLOGIES	Kaluga	RU	100.0	10,596	-106
Ewellix AB	Partille	SE	100.0	336,249	20,353
Schaeffler Invest AB	Stockholm	SE	100.0	101,794	11
Schaeffler Sverige AB	Arlandastad	SE	100.0	11,572	826
Schaeffler (Singapore) Pte. Ltd.	Singapore	SG	100.0	26,918	-3,967

Entity	Location	Country code	Ownership interest in %	Equity in € thousands	Net income (loss) in € thousands
Schaeffler Slovenija d.o.o.	Maribor	SI	100.0	1,205	236
Schaeffler Kysuce, spol. s r.o.	Kysucke Nove Mesto	SK	100.0	262,213	3,749
Schaeffler Skalica, spol. s r.o.	Skalica	SK	100.0	148,053	1,934
Schaeffler Slovensko, spol. s.r.o.	Kysucke Nove Mesto	SK	100.0	3,199	840
Schaeffler Special Machinery, spol. s r.o.	Kysucke Nove Mesto	SK	100.0	3,018	-1,537
Schaeffler Manufacturing (Thailand) Co., Ltd.	Chonburi	TH	100.0	-6,625	-7,727
Vitesco Technologies (Thailand) Co., Ltd.	Rayong	TH	100.0	31,615	4,630
Schaeffler Turkey Endüstri ve Otomotiv Ticaret Limited Sirketi	Istanbul	TR	100.0	7,135	2,910
ABBA Linear Tech Co., Ltd.	Taoyuan	TW	100.0	3,675	-3,041
Schaeffler Taiwan Co., Ltd.	Taipei	TW	100.0	1,199	-72
Schaeffler Ukraine GmbH	Kyiv	UA	100.0	1,039	388
Ewellix USA LLC	Wilmington	US	100.0	13,776	544
FAG Bearings LLC	Danbury	US	100.0	-34,420	-1,228
LuK Clutch Systems, LLC	Wooster	US	100.0	148,089	4,381
Schaeffler Aerospace USA Corporation	Danbury	US	100.0	233,085	11,206
Schaeffler Battery Technology LLC	Wilmington	US	100.0	-5,464	-6,151
Schaeffler Group USA, Inc.	Fort Mill	US	100.0	505,805	-125,411
Schaeffler Holding LLC	Danbury	US	100.0	0	0
Schaeffler Humanoids US, LLC	Wilmington	US	100.0	0	0
Schaeffler Invest USA LLC	Wilmington	US	100.0	7,307	-281
Schaeffler Special Machinery LLC	Wilmington	US	100.0	-5,816	-4,104
Schaeffler Transmission Systems, LLC	Wooster	US	100.0	799,539	75,285
Schaeffler Transmission, LLC	Wooster	US	100.0	191,454	3,276
Schaeffler Vehicle Lifetime Solutions USA LLC	Wilmington	US	100.0	25,023	1,118
Vitesco Technologies USA, LLC	Auburn Hills	US	100.0	116,564	-80,254
Schaeffler Vietnam Co., Ltd.	Dong Nai	VN	100.0	12,699	-5,105
INA Bearings (Pty) Ltd.	Port Elizabeth	ZA	100.0	16,996	754
Schaeffler South Africa (Pty.) Ltd.	Johannesburg	ZA	100.0	27,561	2,429
B. Investments					
I. Germany					
Circunomics GmbH [2) 3)]	Mainz	DE	15.5	6,898	-1,800
Cofinity-X GmbH [2) 3)]	Cologne	DE	10.0	6,497	-14,545
Contitech-INA Beteiligungsgesellschaft mbH	Hanover	DE	50.0	19	-3
Contitech-INA GmbH & Co. KG	Hanover	DE	50.0	211	0
Earlybird-X Seed Fund I GmbH & Co. KG [2) 3)]	Munich	DE	20.8	22,914	-697
GET Fund I GmbH & Co. KG [2) 3)]	Munich	DE	9.3	14,863	-1,535
GKS-Gemeinschaftskraftwerk Schweinfurt GmbH [2) 3)]	Schweinfurt	DE	10.3	48,395	2,193
SupplyOn AG [2) 3)]	Hallbergmoos	DE	16.7	46,088	5,019
up2parts GmbH [2) 3)]	Weiden/Upper Palatinate	DE	14.3	11,682	-6,785
II. Foreign					
CICC-Schaeffler (Suzhou) Industrial Investment Partnership (L.P.)	Taicang	CN	15.8	49,263	-93
Hubei Cathay Smart New Energy Fund Partnership (LP) [2) 3)]	Wuhan	CN	5.5	140,814	-1,502
Leadrive Technology (Shanghai) Co., Ltd. [2) 3)]	Shanghai	CN	3.4	67,626	-118,124
Schaeffler-CARS Railway Technology Co. Ltd. [2) 3)]	Tianjing City	CN	50.0	9,051	2,384
Clean H2 Infra Fund S.L.P. [2) 3)]	Paris	FR	1.5	597,255	42,403
Clean Hydrogen Equipment Fund S.L.P. [2) 3)]	Paris	FR	24.4	20,180	769
Innoplate SAS [2) 3)]	Haguenau	FR	50.0	10,890	-245
Eurings Zrt. [2) 3)]	Debrecen	HU	37.0	7,199	-976
Napino Control Systems Pvt. Ltd. [4)]	Gurgaon	IN	30.0	25,191	3,617
Statomat Special Machines (India) Pvt. Ltd. [5)]	Mumbai	IN	79.9	-1,274	-265
Stegra AB [2) 3)]	Stockholm	SE	4.0	1,636,923	-172,927
Agility Robotics Inc. [2) 3)]	Dover	US	1.1	54,665	-62,628
Baukunst Fund I LP [2) 3)]	Wilmington	US	10.3	31,741	-1,871
Colinx, LLC [2) 3)]	Greenville	US	20.0	2,922	458

[1)] There is a profit and loss transfer agreement.
[2)] Information per 2024 financial statements.
[3)] Financial statements not yet issued.
[4)] Information per financial statements as at March 31, 2025.
[5)] Information per financial statements as at March 31, 2024.

3.6 Preparation of financial statements

The Board of Managing Directors of Schaeffler AG prepared the financial statements on February 24, 2026, and released them for submission to the Supervisory Board of Schaeffler AG. The Supervisory Board of Schaeffler AG is responsible for examining and approving the financial statements.

Herzogenaurach, February 24, 2026

Schaeffler Aktiengesellschaft
The Board of Managing Directors

Klaus Rosenfeld
Chief Executive Officer

Dr. Astrid Fontaine

Christophe Hannequin

Andreas Schick

Jens Schüler

Thomas Stierle

Uwe Wagner

Sascha Zaps

Matthias Zink

Independent Auditors' Report

To Schaeffler AG, Herzogenaurach

Report on the Audit of the Annual Financial Statements and of the Management Report

Audit Opinions

We have audited the annual financial statements of Schaeffler AG, Herzogenaurach, which comprise the balance sheet as at 31 December 2025, and the statement of profit and loss for the financial year from 1 January to 31 December 2025 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Schaeffler AG, which is combined with the Group management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025 in compliance with German Legally Required Accounting Principles and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

1. Measurement of shares in affiliated companies

Our presentation of this key audit matter has been structured as follows:

a) Matter and issue

b) Audit approach and findings

c) Reference to further information

Hereinafter we present the key audit matter:

1. Measurement of shares in affiliated companies

a) In the annual financial statements of the Company shares in affiliated companies amounting to € 17,500 million (55.4 % of total assets) are reported under the "Long-Term Financial assets" balance sheet item.

Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The fair values of the significant shares in affiliated companies are calculated using discounted cash flow models as the present values of the expected future cash flows according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the individually determined cost of capital for the relevant financial investment. Based on the values determined and further documentation, a total impairment loss of € 49.7 million was recognized for the financial year.

The result of this valuation is highly dependent on how the executive directors assess future cash flows, as well as on the discount rates and growth rates used in each case. The valuation is therefore subject to significant uncertainties. Against this background and due to the high complexity of the valuation and its significant importance for the company's net assets and income statement, this matter was of particular importance in our audit.

b) As part of our audit, we reviewed, among other things, the methodological approach used for valuation. In particular, we assessed whether the fair values of the significant investments in affiliated companies were determined appropriately using discounted cash flow models in accordance with the relevant valuation standards. In doing so, we relied, among other things, on a comparison with general and industry-specific market expectations and on extensive explanations by the executive directors regarding the key value drivers underlying the expected cash flows. Aware that even relatively small changes in the discount rate used can have a significant impact on the enterprise value determined in this way, we examined the parameters used to determine the discount rate and verified the calculation model.

In our opinion, the valuation parameters applied by the executive directors and the underlying valuation assumptions are, taking into account the available information, generally appropriate for the proper valuation of the shares in affiliated companies.

c) The Company's disclosures relating to Financial Assets are contained in section 3.3 of the notes to the financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "Corporate governance declaration including corporate governance report" of the management report
- the subsection marked as unaudited, "Comment upon the appropriateness and effectiveness of the risk management and internal control system" in the section "Corporate governance declaration including corporate governance report" of the management report
- the non-financial statement to comply with §§ 289b to 289e HGB and §§ 315b to 315c HGB included in section "Sustainability statement" of the management report
- the comparative information in the management report that is marked as unaudited

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control of the Company and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not

express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file „549300Q7E782X7GC1P43-JA+LB-2025-12-31-0-de.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 24 April 2025. We were engaged by the supervisory board on 3 December 2025. We have been the auditor of the Schaeffler AG, Herzogenaurach, without interruption since the financial year 2025.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Marco See.

Nuremberg, 25 February 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Clemens Koch	Marco See
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Responsibility statement by the company's legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements provide a true and fair view of the assets, liabilities, financial position, and profit or loss of the company, and the combined management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Herzogenaurach, February 24, 2026

Schaeffler Aktiengesellschaft
The Board of Managing Directors

Klaus Rosenfeld
Chief Executive Officer

Dr. Astrid Fontaine

Christophe Hannequin

Andreas Schick

Jens Schüler

Thomas Stierle

Uwe Wagner

Sascha Zaps

Matthias Zink