

## Sustainable Management

Major topic	Strategic goal	Measures (extract)	Target date	Status 2016
Transparency, dialog, and reporting	Building and expanding an international dialog with all relevant stakeholders on the essential sustainability themes	Regular stakeholder survey in all participating departments with their specific target groups (every two years)		continuous
	Transparent reporting on defined material topics according to recognized standards	Regular sustainability reporting according to current GRI guidelines		annual
Sustainability strategy and organization	Anchoring of sustainability aspects in the business models of the Schaeffler Group and their integration in strategic business decisions	Join the UN Global Compact	2017	85 %
		Definition and integration of non-financial KPIs	2018	20 %
		Formulation of a groupwide Sustainability Policy	2016	100 %
Compliance	Successful auditing of the Compliance Management Systems (CMS) by an independent auditing company	Groupwide analysis of risks of non-compliance with relevant anti-corruption regulations	2016	100 %
		Groupwide implementation of a uniform business partner due diligence process	2018	5 %
Governance	Anchoring of a Corporate Governance Structure emphasizing the confidence of our shareholders, business partners, and employees in the management and supervision of the corporation	Revision of the Schaeffler Group Code of Conduct	2016	100 %
		Implementation of regional Compliance & Risk Committees	2016	100 %
Responsibility in supplier relationships	Implementation of the Sustainability Strategy in supplier relationships	Implementation of the Supplier Code of Conduct in existing processes (phased, prioritized integration)	2017	5 %
		Rollout of the Supplier Code of Conduct to suppliers, and confirmation by them, prioritized	2018	10 %
Human rights	Compliance with human rights according to the principles of the UN Global Compact within the framework of the scope of impacts and activities of the Schaeffler Group	Integration of human rights issues in the business partner due diligence process	2017	5 %
Data protection, information, and IT security	Protection of and respect for the personal rights of our employees and business partners. Implementation of suitable measures to ensure compliance with valid regulations and laws	Implementation of the EU General Data Protection Regulation (GDPR)		continuous
		Application of relevant standards to protect our intellectual property and that of our business partners from theft, loss, unauthorized distribution, illegal access, and misuse		continuous
	Coverage of protection requirements in the areas of data and information security by technical IT means so as to ensure at all times the accessibility, integrity, confidentiality, and authenticity of the data and data processing systems with business relevance	Implementation and improvement of IT Security Process "Security by Design"; ensuring of adequate protective and security measures in all Schaeffler IT solutions in every sourcing variant		continuous
		Establishment of obligatory IT Security Awareness Trainings for all IT operators and accessory agents in the Schaeffler Group	2018	5 %

## Customers and Products

Major topic	Strategic goal	Measures (extract)	Target date	Status 2016
Products and technologies	Expansion of system competence by means of introduction and further development of new systems and solutions	Demonstrator presentation of system competences		continuous
		Market introduction of more electrical drive systems		continuous
	Expansion of an innovative product portfolio	Increase in contribution of mechatronic systems to total turnover of the Schaeffler Group to approx. 10 % by 2020		continuous
		Implementation and expansion of data systems for product-related compliance and sustainability	Implementation of data systems and their integration in group business processes	
Digitalization	Definition of objectives for business cases	Inclusion in the Strategy Dialog 2017	2017	10 %

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Customer relations	Ensure customer care tailored to the needs of specific customer groups so as to meet their demands with suitable products and services	Initial qualification and training of all sales personnel in Germany at the Schaeffler Group Sales Campus	2017	75 %
	Deepening of a multifunctional global customer concept to provide optimized solutions and further intensification of our customer relations	Introduction of a customer relationship management (CRM) tool for improved, faster communication in multifunctional, global teams	2016	50 %
Quality management	Ensure product reliability, the objective being to keep the number of product liability cases at zero	Global rollout of a procedure for handling of "special characteristics", the objective being continuous improvement of product risk analysis, and product risk management	2018	80 %
		Global rollout of an integrated product reliability management system including user qualification	2019	30 %
	Enhance product quality measured in terms of customer evaluations and complaints (relative improvement over the previous year as per annual forward projection)	Adaptation of processes to Quality Management Standard ISO 9001:2015	2017	75 %
Brand protection	Protection of customers from negative effects of counterfeit products	Legal measures to remove counterfeit products from the market		continuous
	Protection of market value and reputation of Schaeffler and creation of sales opportunities	PR work to sensitize market participants		continuous

## Environment and Energy

Major topic	Strategic goal	Measures (extract)	Target date	Status 2016
Environmental management	Achievement of a Zero Waste Factory by increasing the recycling rates over the previous year at one location per region	Analysis of relevant KPIs; selection of potential locations taking state regulations into account; formulation of a project plan to meet objectives		continuous
	Consequential reduction of water consumption at all locations worldwide compared to previous year (parameter: m <sup>3</sup> /EUR value added)	Standardized installation of recycling systems when planning new, water-intensive plants; stepwise retrofitting of existing plants with recycling systems following technical and economic review		continuous
Energy management and emissions	Enhancement of energy efficiency by 40 % by 2020 (parameter: kWh/EUR value added, baseline year: 2011)	Integrating all production sites into the Schaeffler Group's energy management system	2017	94 %
		Implementation of energy efficiency workshops for Schaeffler Group employees		continuous
	Climate-neutral production (0 g CO <sub>2</sub> /kWh, Scope 1 & 2) at one location per region	Analysis of relevant KPIs at additional locations; creation and evaluation of a selection matrix of suitable locations; selection of locations at EHS regional conference by the end of 2017		continuous
Logistics	Reduction of CO <sub>2</sub> emissions in logistics	Consequential review of logistic flows as basis for CO <sub>2</sub> balancing		continuous
		CO <sub>2</sub> and cost reduction in logistics with the Logistics Initiative: EDC Industry (European Distribution Centers)	2020	55%
	Worldwide expansion of climate-friendly employee mobility	Raise percentage of electric vehicles in corporate fleet		continuous
Material and resource management	Refurbishment-oriented new product design	Establish technical preconditions for rational and economical industrial reprocessing of products after the first product lifecycle		continuous
		Establish guidelines with generic requirements geared to the specific product		continuous

## Employees and Society

Major topic	Strategic goal	Measures (extract)	Target date	Status 2016
Employer attractiveness	Worldwide expansion of the Schaeffler Group as an innovative and attractive employer and employer of choice	HR Roadmap 2020		continuous
		Definition of employer value proposition (EVP) and development of the global employer branding concept within the framework of the employer branding project	2019	5 %
Employee advancement and development	As-needed and anticipatory qualification and development of employees in all fields, with special focus on production employees	Introduction of a uniform worldwide talent management process	2018	65 %
		Worldwide rollout of a team leader concept in production	2017	85 %
		Worldwide rollout of the Schaeffler Academy for the Qualification for Tomorrow Initiative		continuous
Occupational safety and medicine	Continuous reduction of occupational accidents by 10 % per year (parameter: AccR)	Implementation of appropriate measures taking local conditions into account		continuous
		Certification of all production locations acc. to OHSAS 18001 – in each case up to 100% after a two-year plant production run-up period		continuous
Work-life-balance	Expansion of flexible and mobile working conditions to keep up with the demands of changing work environments and future generations	HR Roadmap 2020		continuous
		Rollout of a regulation (company agreement) on home offices	2016	100 %
Demographic change	Ensuring a healthy occupation until retirement age is reached by avoiding lifestyle-associated diseases	Establishment of a “BS Basic Check”, respecting state regulations at all locations	2020	100 %
	Ensuring a healthy occupation until retirement age is reached by avoiding unhealthy physical stresses at the workplace	Review of all workplaces to detect potential unhealthy physical stresses and application of an economic analysis tool prior to revision	2020	100 %
Payments and pensions	Continued global development, harmonization, and simplification of the Schaeffler payment models	Global rollout of job grading (job assessment method)	2017	90 %
		Introduction of a new retirement fund portal	2015	100 %
Diversity	Diversity management for targeted support of diversity within the corporation	Development/formulation of a holistic diversity concept for the Schaeffler Group	2017	75 %
Corporate citizenship	Realize transparent corporate citizenship and integrate it within the specific business divisions	Continuous support of education and science by the Schaeffler FAG Foundation		continuous
		Introduction of a management system to centrally record the worldwide corporate citizenship activities	2017	75 %