

Limited Assurance Report of the Independent Auditor regarding the Combined Separate Non-Financial Report.

To the Supervisory Board of Schaeffler AG, Herzogenaurach

We have performed an independent limited assurance engagement on the Combined Separate Non-Financial Report of Schaeffler AG, Herzogenaurach and the Group (hereinafter "Schaeffler") as well as the section "1.1 Overview of the Schaeffler Group", pages 3 – 5 of the Combined Management Report, which has been qualified as part of the Combined Separate Non-Financial Report (hereinafter "Report") by reference, according to Sections 315b, 315c in conjunction with 289c to 289e HGB (German Commercial Code) for the business year from January 1 to December 31, 2017.

Management's Responsibility

The legal representatives of the entity are responsible for the preparation of the Report in accordance with Sections 315b, 315c in conjunction with 289c to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

Independence and Quality Assurance on the Part of the Auditing Firm

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

¹ Our engagement applied to the German version of the Report. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

Our audit firm applies the national statutory provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Practitioner's Responsibility

Our responsibility is to express a conclusion on the Report based on our work performed within a limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Report for the period from January 1 to December 31, 2017, has not been prepared, in all material respects in accordance with Sections 315b, 315c HGB in conjunction with 289c to 289e HGB. We do not, however, issue a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following procedures:

- Inquiries of personnel on group level who are responsible for the materiality analysis to get an understanding of the process for identifying material topics and respective report boundaries for Schaeffler
- A risk assessment, including a media research, of relevant information about the sustainability performance of Schaeffler in the reporting period
- Evaluation of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, human rights, corruption and bribery, including data consolidation
- Inquiries of personnel on group level who are responsible for determining disclosures on concepts, due diligence processes, results and risks, the conduction of internal controls and consolidation of the disclosures
- Evaluation of selected internal and external documents
- Analytical evaluation of data and trends of quantitative disclosures which are reported by all sites on group level
- Assessment of local data collection and reporting processes and reliability of reported data via a sampling survey in Herzogenaurach and Schweinfurt (both in Germany)
- Assessment of the overall presentation of the disclosures

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report of Schaeffler for the business year from January 1 to December 31, 2017, is not prepared, in all material respects, in accordance with Sections 315b, 315c in conjunction with 289c to 289e HGB.

Recommendation

Without affecting the conclusion presented above, we recommend to further develop internal guidelines and processes as well as group-wide instructions for the environmental data collection in order to continuously improve data quality.

Restriction of Use / Clause on General Engagement Terms

This assurance report is issued for purposes of the Supervisory Board of Schaeffler AG, Herzogenaurach, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of Schaeffler AG, Herzogenaurach, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Munich, February 20, 2018

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Laue
Wirtschaftsprüfer
[German Public Auditor]

Koeplin
Wirtschaftsprüfer
[German Public Auditor]