

We pioneer motion

Policy Statement

STATEMENT ON RESPECT
FOR HUMAN RIGHTS

Governance Framework
Schaeffler Gruppe

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Responsible member of the Executive Board: Chief Executive Officer
Policy Owner: Group Chief Compliance Officer

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Foreword by the Executive Board

Schaeffler¹ is a globally operating family business with a strong value base. Integrity, fairness, and mutual respect when doing business have always been Schaeffler's top priority and are an integral part of our DNA.

For us as Schaeffler's Executive Board, respect for human rights is a fundamental element of responsible corporate governance. As a globally operating company, Schaeffler therefore sees it as its responsibility to respect human rights and ethical standards at its locations and in all of its business activities. Schaeffler aims to fulfill human rights and environmental due diligence obligations appropriately and to respect the rights of those affected.

This includes, precluding and minimizing human rights and environment related risks or preventing, stopping, or remedying violations of human rights or environment related obligations. By establishing suitable structures, we want to implement applicable legal requirements into our own business area and our supply chains. To fulfil our responsibilities and to achieve our goals, we have developed this Human Rights Statement that particularly complements our Corporate Code of Conduct as well as our Business Partner Code of Conduct. We align our actions with the holistic and strategic approach to the respect for human rights outlined below.

This Human Rights Statement describes Schaeffler's human rights strategy and defines how we anchor our commitment to respecting human rights. It is up to all of us to put the measures outlined in this Human Rights Statement, which we have anchored in our human rights strategy, into practice.

Many thanks for your support!

¹ "Schaeffler" or "Schaeffler Group" means Schaeffler AG and all companies in which Schaeffler AG directly or indirectly holds a majority interest. This Human Rights Statement will be issued by the Board of Directors of Schaeffler AG as group parent company as well as by Schaeffler Technologies AG & Co. KG, Schaeffler Automotive Bülh GmbH & Co. KG, Vitesco Technologies GmbH and Vitesco Technologies Germany GmbH, each of them as controlled group companies.

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Our Commitment to the Respect for Human Rights

2.1 Our values and self-commitment

We are convinced that social responsibility is the basis for long-term entrepreneurial success. We commit ourselves to respecting human rights along our supply chain and to working towards the implementation of these rights in our global supply chains.

We respect the human rights of our employees, and all persons Schaeffler is associated with through its own business activities, its business relationships in the supply chain, and its products. In addition to the relevant human rights and due diligence regulations, Schaeffler's actions are closely aligned with international standards, such as

- [UN International Bill of Human Rights](#)
- [UN Guiding Principles on Business and Human Rights](#)
- the core [conventions of the International Labor Organization](#) (ILO) and
- the [OECD Guidelines on Responsible Business Conduct](#).

In addition, Schaeffler is a signatory to the UN Global Compact and is committed to the [ten principles](#) of the [UN Global Compact](#).

We are committed to fulfilling our responsibility to prevent and identify negative impacts of our business activities on human rights and, where possible, to prevent and mitigate them.

This commitment is firmly anchored in Schaeffler's own business area through our [Code of Conduct](#).

2.2 Our expectations

We expect our employees to respect human rights in their daily work and when dealing with affected parties. In the same way, we address these expectations to our business partners and expect them to implement suitable due diligence processes and to pass on these expectations to their own business partners. In this regard, the Human Rights Compliance Policy defines a binding framework of minimum requirements with regard to human rights due diligence obligations in Schaeffler's own business area and towards direct suppliers.

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Our approach to the implementation of Human Rights and environment-related due diligence obligations

For us, respect for human rights is an ongoing commitment which we continuously develop into a holistic Human Rights Compliance Management System, depending on changing contextual conditions, type of business activity and the company's size and structure. Therefore, we have integrated human rights due diligence measures into our organization's business processes and relationships with our business partners to support our commitment. Regarding environmental topics, Schaeffler relies on existing and established management processes. In this respect, we have therefore not identified any risks that should be prioritized according to the logic underlying this holistic human rights risk analysis.

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Risk Management and Responsibilities

In the context of our Human Rights Compliance Management System, we at Schaeffler have defined clear responsibilities for the awareness of and adherence to our human rights and environment-related due diligence processes.²

The Executive Board takes responsibility for the respect for human rights in the own business area as well as in the supply chain. It determines respective responsibilities within the organization.

The responsibility for the operational implementation of human rights and environment-related due diligence obligations, especially the anchoring of the human rights strategy in the departments and processes, lies with the respective nominated department. Responsibility for monitoring risk management has also been defined.³ To ensure that we can always make informed strategic and operational decisions, we rely on regular and ad hoc internal reporting on the results of our risk analysis relevant to human rights as well as information from our grievance mechanism and information on the effectiveness of our remedial and preventive measures.

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Risk Analyses

Within the scope of our due diligence obligations, we focus on topics that have been considered as potential risks. According to criteria, such as the expected severity of a violation and its probability of occurrence, we prioritize them. We systematically identify and assess the relevant human rights topics and potentially affected groups of people with the help of branch and country risks and with a well-established Human Rights Compliance Management System. The mentioned risk analyses are performed once a year as well as on an ad hoc⁴ basis.

As part of the risk analyses, regarding our **own business area**, we examine the human rights-related topics considered significant at our locations. Concrete human rights-related risks at Schaeffler are identified with the involvement of responsible and appropriately qualified employees, the local risk assessors. The results of the risk analysis lead to a measure plan that is tested for status of implementation and effectiveness in regular intervals.

For our **supply chain**, we have established the corporate risk and supplier management system with processes and measures for the respect of human rights. Thereby, we determine the individual risk exposure of our direct supplier, and, if necessary, take appropriate measures to mitigate the risk. This includes measures from chapter 7 as well as individual approaches to the supplier or requests for certification or auditing. When determining supplier risks, we consider especially country and industry risks.

If we gain substantiated knowledge of a potential violation involving an indirect supplier, we additionally conduct corresponding ad hoc risk analyses and anchor, where necessary, appropriate measures.

² For the future it is aimed to obtain a certification for the Human Rights Management System according to IDW PS 980.

³ The Compliance Function is entrusted with the higher-level management of the due diligence processes and their monitoring. The department Purchasing Sustainability is responsible for the risk management in the supplier network. The department Strategic Sustainability takes the responsibility for the due diligence processes in its own business area. Further departments are involved in the operational implementation of the human rights strategy and the corresponding activities.

⁴ We conduct risk analyses in the supply chain and in the own business area on an ad hoc basis e.g., in

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Relevant Human Rights topics and potentially affected groups of people

By means of our worldwide risk analyses, we identify human rights and environment related risks or violations⁵ that may arise from our business activities or those of our business partners.

We see risks primarily, to varying regional and local extents, in the following areas:




6.1 Priority Human Rights Topics in our own Business Area

With over 120,000 employees working in more than 50 countries and in a wide variety of cultural contexts and conditions, we are aware of our special responsibility towards our employees. Each and every one of us bears great responsibility when it comes to respecting human rights and protecting the environment. In our human rights risk analysis, where all our locations have been considered, the following risks were prioritized by individual locations:

Human Rights Topics		Background
	Discrimination	Confirmed human rights cases and country risks that have not yet been adequately addressed by preventive measures.
	Freedom of Association	
	Working Hours	

6.2 Priority Human Rights Topics in our Supply Chains

We recognize that due to our business activities, human rights risks in the countries and industries of our direct suppliers cannot generally be ruled out. The following human rights topics are, depending on the respective product group the most essential on an abstract level:

Human Rights Topics		Background
	Health and Safety at Work	General risks due to complex supply chains considering existing preventive measures
	Forced Labor	
	Freedom of Association	

the case of changed country risks, reported information from the grievance mechanism and public reports from authorities and non-governmental organizations. The same applies to the introduction of new products, projects, or new business fields.

⁵ Within the meaning of the Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains.

The above human rights topics did not have to be reprioritized due to the merger of Schaeffler and Vitesco Technologies in 2024. The ad hoc risk analysis has shown that the risk exposure has changed as a result of the merger due to additional increased risks at Vitesco Technologies with regard to forced labor in its own business area and adequate wages in the supply chain. However, there is no significant change in the overall risk exposure. Increased risks introduced into our area of activity by Vitesco Technologies are therefore taken into account appropriately as part of the regular risk analyses, monitored on an ongoing basis and addressed with measures if necessary.

6.3 Potentially affected groups of people

In our efforts to respect human rights, the focus is on the following groups of people:

		
Our employees at national and international locations	Employees in the direct and indirect supply chain	Other rightsholders such as local communities and indigenous people

We recognize that within these groups of people there are in turn marginalized groups and rightsholders 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.

We therefore see meaningful stakeholder dialog as an ongoing process of interaction between us and (potentially affected) stakeholders that enables us to hear, understand and respond to their interests and concerns, including through risk-based collaborative approaches.

7 Prevention

We derive suitable measures from the conducted risk analyses as well as from the grievance mechanism (see chapter 9), or audits. With the help of these measures, affected groups of people shall be protected and adverse human rights and environment-related impacts and risks shall be avoided, stopped, or minimized. Especially by taking the following preventive standard measures, we ensure compliance with human rights in the own business area and our supply chain:

7.1 Code of Conduct

Through our [Code of Conduct](#) and the associated training, we create the necessary awareness for respecting human rights at our locations. The Code of Conduct has been updated in order to improve, inter alia, addressing human rights risks in our own business area. It is supported by internal guidelines, such as the Human Rights Compliance Policy.

7.2 Business Partner Code of Conduct

Through our Supplier Code of Conduct, now adapted and effective as the [Business Partner Code of Conduct](#), our suppliers are expected to respect our ethical and sustainability principles and to cooperate in mitigating potential risks. In this context, it is also necessary for them to pass on these expectations in their supply chain. The [Business Partner Code of Conduct](#) has also been also updated with regard to human rights requirements.

	<p>7.3 Further measures</p> <ul style="list-style-type: none"> • Policy Statement “Human Trafficking” and the granular measures described therein • Collective wage agreements or comparable remuneration systems • Various internal guidelines and instructions, for example on <ul style="list-style-type: none"> ○ Human Resources, ○ Energy, Environment, Occupational Health and Safety ○ Corporate Security ○ Remuneration and ○ the Schaeffler grievance mechanism • External positioning of Schaeffler, e.g., through the Environment, Health & Safety Policy department • Material Compliance Management System • Expert training offered to suppliers • Implementation of RSCI audits for identified high-risk suppliers <p>In addition, we continuously develop and/or implement individual measures on the prioritized human rights issues.</p>
<p>8</p> <p>Remediation</p>	<p>In the event that we, as a company, have directly caused the violation of human rights in our own business area, we will work toward the redesign of our activities or processes, to remedy the violation. In exceptional cases, we analyze the extent to which a pause in business activities can end the violation or the concrete risk.</p> <p>After an investigation as per our grievance mechanism, we sanction employee behavior that is not aligned with human rights. In the case that our business activities contribute to actual human rights violations or that we are indirectly associated with the violations, we will try for an appropriate remediation and a prompt reparation by the responsible authorities. Regarding our business partners, we reserve reasonable reaction options, from requesting an immediate violation remediation, to taking legal actions or ultimately terminating the business relationship.</p>
<p>9</p> <p>Grievance Mechanism</p>	<p>An appropriate and effective grievance management allows to effectively prevent, and remedy adverse human rights-related impacts caused by our company and our business activities. Both employees and those affected persons outside the company have the opportunity to submit information about potential human rights violations through the Schaeffler Group's global whistleblower system. We provide an electronic reporting system in 20 different languages. However, reports can be submitted in all languages and through various channels.</p> <p>We follow up on all reports submitted and plausible suspicions of potential human rights violations in accordance with a reporting and investigation process that is defined in the guideline Whistleblowing System. The confidentiality of reports and the anonymity of whistleblowers is respected.</p>
<p>10</p> <p>Effectiveness Control</p>	<p>We have developed a methodology to review the effectiveness of our measures and processes, including our grievance mechanism, on a regular and ad hoc basis using effectiveness criteria. In our own business area, validation visits to selected locations help us to monitor the implementation and effectiveness of measures.</p>

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Documenting and Reporting

In our annual Sustainability Report, we inform the public about our human rights and environment-related due diligence processes and their effectiveness. In addition, the [Norwegian Transparency Act Statement](#) sets out measures that the Schaeffler Group has taken to disclose actual and potential negative impacts on fundamental human rights and decent working conditions in accordance with the relevant legal requirements. Specifically on the topics of forced labor and modern forms of slavery in our supply chains and in our own business area, we publicize the Schaeffler Modern Slavery Act Statement once a year.

Furthermore, as of the financial year 2023, we annually report to the German Federal Office for Economic Affairs and Export Control. This is based on the continuous internal documentation of the fulfilment of our due diligence obligations.

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About this Human Rights Statement

We have developed this Human Rights Statement in dialogue with the competent departments at Schaeffler, external experts and with the Schaeffler Economic Committee. The approval of this Human Rights Statement is made by the Executive Board. We will review the statement, in accordance with the principles of continuous improvement and further development, annually as well as on an ad hoc basis and initiate an update if we observe changed human rights-related situations.

It is not possible to deduce any individual or third-party rights from this policy statement. The Human Rights Statement has no retroactive effect and entered initially into force on June 26, 2023. Version 1.2 of this Human Rights Statement is valid as of its effectiveness date.

Contact	With regard to the respect for human rights, Schaeffler has set up diverse contact options. The following channels are available for all affected groups of people.	
For content-related questions as well as comments on the Human Rights Statement:	By e-mail	humanrights@schaeffler.com
	By post	Schaeffler AG Compliance & Corporate Security Industriestraße 1–3 91074 Herzogenaurach Germany
	Personal	Group Chief Compliance Officer Compliance & Corporate Security Industriestraße 1–3 91074 Herzogenaurach Germany compliance@schaeffler.com
For information on violations of the Schaeffler Human Rights Statement:	Electronic Whistle-Blowing-System	www.bkms-system.net/schaeffler
	By e-mail	investigations@schaeffler.com
	Schaeffler employees can also report the information to all colleagues of the Compliance-Organization and their supervisors.	
Approval	Policy Owner	Group Chief Compliance Officer
	Approver	Executive Board
Change History	Version	1.2
	Approval date	December 6, 2024
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	Date of effectiveness	December 6, 2024
	Changes	Updates based on the results of the 2024 risk analysis, including the merger of Schaeffler and Vitesco Technologies Updates to preventive measures, effectiveness monitoring and documentation Minor linguistic changes