

Transparency, Trust, and Teamwork

Schaeffler Group Supplier Code of Conduct



1 Area of Application

This code applies to all natural or legal persons, who sell or provide goods or other services to the Schaeffler Group (Schaeffler AG and all companies in which Schaeffler AG directly or indirectly has a majority interest), either directly or via third parties, e. g. affiliated companies, distribution partners, subcontractors and agents (hereinafter referred to as “suppliers”).

Schaeffler suppliers are required to observe the ethical and legal principles set down in this Supplier Code of Conduct. These requirements should also be cascaded by the supplier within his supply chain.

2 Basic Conduct Requirements

2.1 Transparency, trust, and teamwork

Transparency is a decisive factor for trust and successful teamwork. Responsible collaboration requires actions and decisions that are transparent and comprehensible because only then will they be accepted. For collaboration, transparency also means dealing with problems and errors in an open and honest manner.

2.2 Compliance with applicable laws

Schaeffler expects its suppliers and their employees to comply with applicable laws and regulations. Where legal requirements are more restrictive than the rules applying at Schaeffler, these take precedence.

The basic principles described in this code constitute a minimum standard and do not affect country-specific additions that are based on relevant cultural circumstances.

2.3 Respect for human rights

Respect for human rights is an integral part of our corporate responsibility.

Suppliers are required to treat all individuals fairly and with respect, and to create a business environment, which is free from any form of inhuman actions. They must treat their employees and all other parties with respect and dignity and refrain from unlawful harassment.

2.4 Avoidance of conflicts of interest

Schaeffler expects its suppliers to make any decisions relating to their business activities with Schaeffler on the basis of objective criteria only. Conflicts of interest with private interests or other business or miscellaneous activities, including those involving relatives or otherwise affiliated individuals or organizations, must be avoided from the outset.



3 Behavior towards Business Partners and Third Parties

3.1 Integrity

Schaeffler and its employees act with integrity when dealing with others and also expect suppliers to observe relevant legal requirements.

3.2 Fair competition

Schaeffler expects its suppliers to operate openly in competition and to observe and act in accordance with the applicable anti-trust provisions in the markets, which may be affected by their conduct. Suppliers should refrain from taking part in agreements or concerted practices that breach antitrust laws, whether in their own favor or in favor of third parties.

Suppliers must not gain an unfair advantage at the expense of another party through manipulation, deception, malpractice, misrepresentation of essential facts or unfair conduct.

Suppliers must never abuse a potentially dominant position in the market and must undertake to maintain fair business practices in advertising and sales, as well as in competitive situations.

3.3 Anti-corruption

Schaeffler expects its suppliers to condemn corruption in any form. Suppliers must also ensure that their employees, subcontractors or representatives do not offer, promise or grant any benefits to Schaeffler employees or affiliated third parties, with the aim of acquiring an order or obtaining other preferential treatment in business transactions.

Suppliers must refrain from any direct or indirect participation in money laundering activities and must comply with all applicable laws and provisions governing anti-corruption and the prevention of money laundering in the countries in which they do business.

3.4 Trade controls

Suppliers must observe import and export laws. Customs duties must be fulfilled and all other national and international laws and regulations relating to international business activities must be observed.

4 Handling of Information

4.1 Protection of confidential information

Schaeffler requires its suppliers to protect confidential information, which has been entrusted to them by Schaeffler, its customers or other suppliers of Schaeffler.

Confidential information may only be used and disclosed in the manner authorized by Schaeffler. Any form of business information relating to Schaeffler, its customers or suppliers, which is not public knowledge, is regarded as confidential information.

4.2 Compliance with data protection regulations

Schaeffler also places great importance on protecting the personal data of its employees and business partners. As a result, the utmost care and sensitivity is demanded when processing data relating to business partners or employees.

5 Treatment of Employees

5.1 Fair working conditions

Schaeffler recognizes its employees' entitlement to adequate remuneration and observes the legally guaranteed minimum wages in the respective labor markets.

The applicable provisions covering wages and working hours must be observed by all suppliers, in particular regulations governing minimum wages and overtime.

5.2 Rejection of forced and child labor

Schaeffler rejects any form of forced labor or child labor within the company.

Schaeffler expects its suppliers to refrain from forced and child labor within their companies and to exercise zero tolerance in this regard, in particular by not sourcing materials from supply chains which are linked to forced or child labor. Suppliers must take appropriate measures to ensure that their own suppliers also operate in accordance with these principles.

6 Environment, Health, and Safety

6.1 Acting sustainably

Suppliers must comply with all applicable environmental laws and strive to reduce adverse effects on the environment by protecting natural resources, reducing energy consumption, and introducing other suitable measures.

6.2 Safe working environment

Schaeffler expects its suppliers to comply with the currently valid occupational health and safety legislation and regulations. Suppliers are required to provide a safe and healthy working environment.

7 Compliance with the Supplier Code of Conduct and Audit Rights

Schaeffler can use self-disclosures by suppliers, audits or other suitable methods to verify supplier compliance with the aforementioned principles and requirements, if there are reasonable grounds for doing so, for example if summary or criminal proceedings are initiated against suppliers. Schaeffler will not tolerate violations of any kind and expects its employees and business partners to comply with the applicable laws and regulations. Where legal requirements are more restrictive than the rules applying at Schaeffler, these take precedence.

Any violation of the principles and requirements set down in this Supplier Code of Conduct constitutes a fundamental breach of contract by the supplier and entitles Schaeffler to terminate the supplier relationship immediately, in full or in part, as well as permanently.

8 Agreement with the Schaeffler Code of Conduct

As supplier to the Schaeffler Group, we will support the Schaeffler Code of Conduct by committing our company and all affiliated companies to meeting the relevant expectations and requirements. We will also require our suppliers to ensure compliance with this code.

We hereby acknowledge the Schaeffler Supplier Code of Conduct and confirm that we will comply with the aforementioned principles and requirements of the Schaeffler Code of Conduct by applying an internal, equivalent code of conduct* within our company.

* included as an attachment

Supplier signature and stamp

Schaeffler AG

Industriestraße 1 – 3
91074 Herzogenaurach
Germany
www.schaeffler.de/en
info@schaeffler.com

In Germany:

Phone 0180 5003872

Fax 0180 5003873

From other countries:

Phone +49 9132 82-0

Fax +49 9132 82-4950

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