



Critical Raw Materials Policy

Our contribution

Schaeffler assumes its corporate responsibility and thereby creates the premises for the sustained success of the company. In doing so, transparency is a decisive factor for trust and successful cooperation.

An essential component in the Sustainability requirements of Schaeffler Group, is the handling and processing of critical raw materials, which include among others, environmental protection, human and worker's rights, transparent business relations and fair competition as well as due diligence for its supply chains.

In line with the legal requirements, global initiatives like Drive Sustainability, Responsible Minerals Initiative (RMI), Initiative for Responsible Mining Assurance (IRMA) and international best practices, Schaeffler Group is committed to ensure full transparency on its supply chains and due diligence activities related to critical raw materials. To this end, Schaeffler has defined particularly important critical raw materials, establishing a due diligence management system covering associated problems such as environmental impact, threats to indigenous communities, human rights abuse associated with the mining processes, transport, and trade of the critical raw materials and direct or indirect support of any armed groups or private security forces. Based on the recommendation of the OECD Due Diligence Guidance and Material Change Report by Drive Sustainability, Schaeffler Group prioritizes raw materials based on their share in products and potential risks for human rights violations, social impact, compliance and environmental incidents in the supply chain.

Expectation

The Sustainability requirements are well known to all business partners and have to be passed on to sub-suppliers in the supply chain. Additionally, compliance with these requirements is monitored and continually improved. With this approach, the Schaeffler Group, in collaboration with its business partners, monitors environmental, economic, and social impact throughout the supply chain.

In order to support Schaeffler and its customers to comply with the applicable rules and regulations for sourcing and supply chain due diligence, Schaeffler expects an increased collaboration from its suppliers and fulfilment of their due diligence obligations along the supply chain with regards to critical raw materials, included, but not limited to:

- At the level of supply chain: transparency in line with the OECD's 5-step framework for a responsible sourcing of minerals from conflict and high-risk areas and in case of substantiated evidence of environmental, human rights or compliance incidents in the n-tier supply chain upon request
- At the level of products: human rights risks and environmental, compliance and social impact related to critical raw materials present in the delivered products, either by reports, documentation, or written assurances upon request.

Furthermore, Schaeffler encourages its suppliers to source materials from IRMA (The Initiative for Responsible Mining Assurance) certified locations and if possible, become certified against IRMA.

For any questions related to Critical Raw Materials, please contact us at CriticalRawMaterials@schaeffler.com

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