

We pioneer motion

Schaeffler Supplier Programs



Table of contents

1	Welcome
2	Introduction
3	Scope
4	Supplier Programs
5	How to become part of our Supplier Programs
6	Benefits for the Supplier
7	Collaboration Platforms
8	Exemplary setup of Meetings
9	Cadence and Collaboration



1 Welcome

Global supply chains are undergoing change and demand the highest level of agility from all of us. For Schaeffler as a globally active automotive and industrial supplier, a partnership network with its suppliers is key to ensuring long-term corporate success. This also applies to achieving sustainability targets as our supply chain will be completely climate-neutral as of 2040. Therefore, innovative strength is more important than ever.

By collaborating with strong partners, Schaeffler focuses on forward-looking as well as sustainable technologies across the entire supply chain. To this end, we will be intensifying our long-term network with strategically vital suppliers and have developed two Supplier Programs for this purpose: TRUST is the holistic program for our most critical suppliers. The program aims to intensify technological collaboration on a global level and is co-managed by our Global Executive Board. The PREFERRED program, on the other hand, focuses on regional collaboration and further facilitates close contact between decision makers and the Schaeffler Regional Executive Board.

As part of the Schaeffler Supplier Program, our partners profit from an even more intensive exchange on new technologies, products, and projects throughout the entire development process. The basis for admittance into one of the programs is fulfillment of all relevant qualitative and quantitative KPIs. You can read up on exactly what is entailed here on the pages that follow.

I believe that we will tackle the challenges of the future together in strong and fair partnerships with a long-term perspective. The very intensive collaboration in our two Supplier Programs TRUST and PREFERRED will result in long-term benefits for both sides.

Andreas Schick
Chief Operating Officer



FOSTER BUILDING STRONG RELATIONSHIPS

2

Introduction

Schaeffler continues to foster building strong relationships through solid commercial and in-depth quality initiatives within our global platform of suppliers. This context serves as the introduction of our new extended supplier evaluation and stringent reclassification program.

With our historical success as a backdrop, Schaeffler deploys two executive Supplier Programs to further intensify the technological collaboration with our superior suppliers to generate a reciprocal value add.

Ultimately, our cooperation with these best-in-class suppliers will further secure success, both in the Automotive and Industrial markets we serve. This is going to be embraced by a hand-in-hand collaboration between Schaeffler Business responsables, Schaeffler Purchasing, and the Program Supplier.



3

Scope

New enhanced supplier strategies, execution, and performance evaluation will be at the forefront of our program. Schaeffler and the Program Supplier will work together to enhance supplier's contribution to improve our innovative performance, incorporate alignment of global and regional executive management, define strategic initiatives, deploy digital readiness, and further improve long-term sustainability. Additionally, we enable reciprocal communication to sustain superior performance.

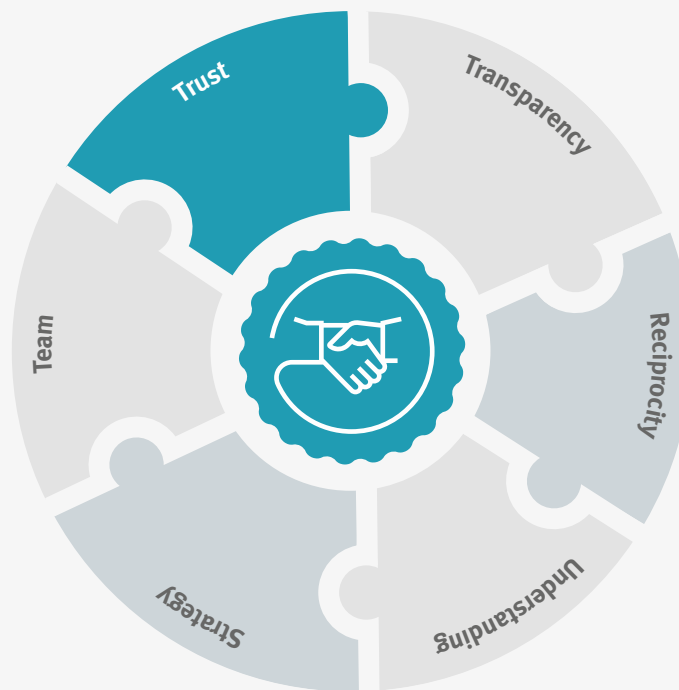
Mutual benefits of alignment will be reduced costs, risks-mitigation, sustainability, compliance, and improvement of the overall value proposition of both, Schaeffler and our partners.

This is ensured by strong and early involvement in mutual activities and company's developments.

4

Supplier Programs consisting of two main Supplier Programs

Key Symbol



TRUST Program

TRUST is our supreme Supplier Program. Accessible by suppliers with superior performance.

Accompanied by global top management we intensify our partnership and strive for further enhancements.

Acceleration of our technological and innovation collaboration unfolds further opportunities for both parties potentially on global scale.

The benefits for the supplier within this partnership are unique and most exclusive.

Symbols to show our Partnership



**Schaeffler
TRUST Supplier**



TRUST Supplier

Transparency Reciprocity Understanding Strategy Team



#TRUST

Transparency Reciprocity Understanding Strategy Team



PREFERRED Program

PREFERRED is our second highest Supplier Program. Accessible by suppliers with excellent performance.

Accompanied by regional top management we intensify our partnership.

Acceleration of our technological and innovation collaboration unfolds further opportunities for both parties for specific markets or regions.

Symbols to show our Partnership



Schaeffler
PREFERRED Supplier



PREFERRED Supplier



#PREFERRED



5

How to become part of our Supplier Programs?

Eligibility to be assessed based on standardized criteria, such as:

- Best in class performance in quality, cost, delivery, and decarbonization
- Commercial & technical supplier contribution
- Highest integration level
- Sharing of and commitment to our values

Regular assessments are carried out to select and keep the right suppliers in the programs.

We reach out directly to our prospect partners to join our Supplier Programs.

You can also reach out to your known contact person at Schaeffler for more information about our Supplier Programs.

6

Benefits for the Supplier

TRUST Supplier Benefits

- “Business Sponsor” in Schaeffler Executive Board or (Business) Division & visibility to Executive Board
- Deep involvement in Schaeffler Technology Meetings and Platforms
- Joint development of a sustainability roadmap to further decarbonize sourced products/components
- Hosting of two innovation events dedicated for Schaeffler on global level
- Joint technology development & potential joint investment
- Performance in decarbonization is rewarded
- Access to production sites
- Divisional individual benefits tailored to the Program Supplier
- TRUST symbol can be used publicly

PREFERRED Supplier Benefits

- “Business Sponsor” in Schaeffler Regional Board or (Business) Division & visibility to Regional Board
- Regular exchange on technological development, new products & projects
- Joint development of a sustainability roadmap to further decarbonize sourced products/components
- Hosting of one innovation event dedicated for Schaeffler for a particular country/plant
- Joint technology development
- Performance in decarbonization is rewarded
- PREFERRED symbol can be used publicly

7

Collaboration Platforms

Schaeffler's ongoing commitment to excellence and performance is strategically coupled with the relationships within our supply base and their commitment levels to our Supplier Program.

Executive Technology & Business Meetings at Regional and Global level will serve as a channel with our suppliers to foster further technological development and collaboration beyond our standard product development cycle.

The ability of the Program Suppliers to invest in this program and deliver on their commitment to continuous investment and improvement is paramount. Innovation events and/or workshops are organized by the Program Suppliers, the Schaeffler Purchasing team, and Engineering to guarantee performance and enable collaboration beyond the standard contractual agreements.

8

Exemplary setup of Meetings

Executive Technology & Business Meeting

Meeting Cadence	Yearly
Location	Supplier site
Participants Schaeffler	Chief Operating Officer Division Chief Executive Officer R&D Head Division Purchasing Head Global Category Manager Business Unit Heads Business Unit R&D Heads (Optional, depending on focus areas)
Participants Supplier	Chief Executive Officer/ Division Head R&D Head Chief Operating Officer Head of Marketing/Sales
Agenda (Strategic Topics)	<ul style="list-style-type: none"> • High Level Strategy & New Technology Trends (Supplier) • Strategy & Product Roadmap Schaeffler (Schaeffler Mgt.) • Future technological & strategic collaboration • Identification of Action Fields

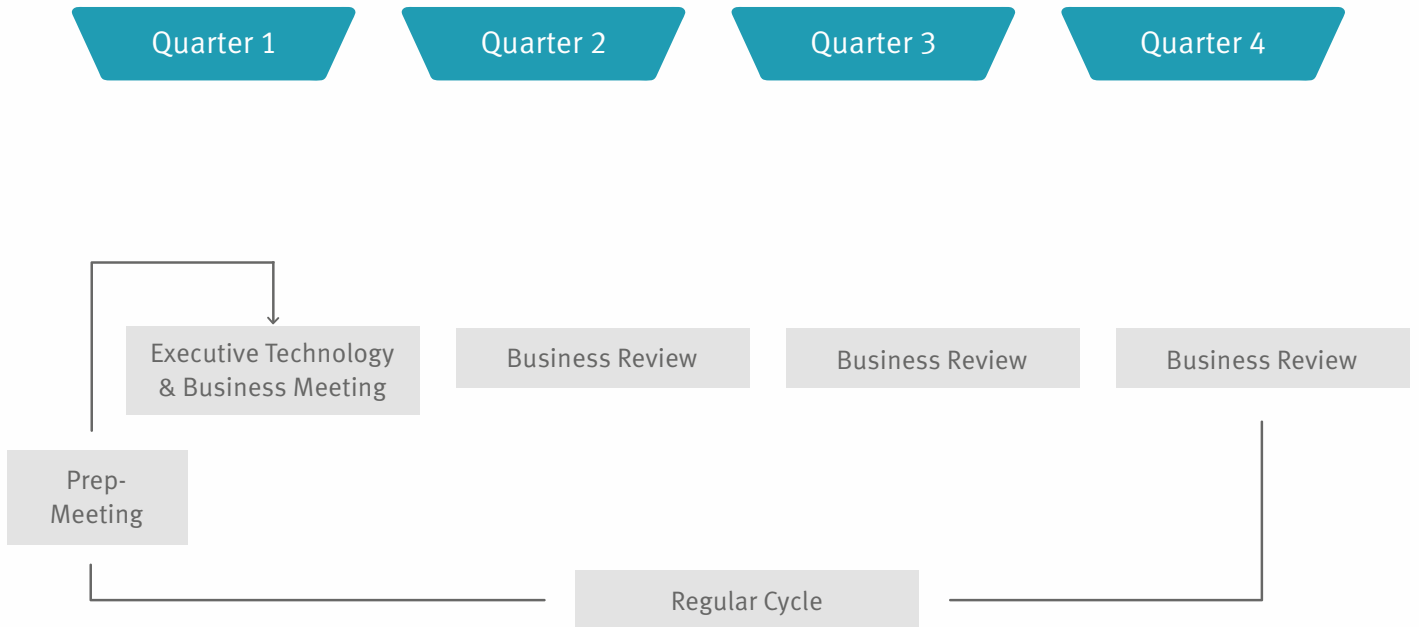
Business Reviews:

Meeting Cadence	Quarterly
Location	Supplier or Schaeffler site
Participants Schaeffler	Global Category Manager Supplier Quality Business Unit Buyer (opt.), Engineering (opt.)
Participants Supplier	Sales/Marketing KAM Quality Engineering
Agenda (Operational Topics)	<ul style="list-style-type: none"> • Preparation/Follow-up of Strategic Meetings • Quality Performance • Commercial Performance • Logistics Performance • Sustainability Performance • Project Business • Changes at the Program Supplier and Schaeffler • Review of defined Action Fields



8

Cadence and Collaboration



The primary function of the Supplier Program collaborative effort will be to identify our most important partners for the program and measure both quantitative and qualitative KPI results inclusive of action plans.

Both, web-based communication and face to face functional meetings are imperative. The identification and escalation of the supplier's performance and data must be accurate. Most importantly, the proper channel for escalation and notification that the supplier's performance does not meet our criteria as defined in the Supplier Program is established and implemented.

Deficiencies in Quality, Cost, and Delivery not only cause disruptions to our current business and growth opportunities within the strategic markets we participate in, but also to our relationships.

Schaeffler Technologies AG & Co. KG

Industriestrasse 1–3
91074 Herzogenaurach
Germany

www.schaeffler.com
TRUST-Supplier@schaeffler.com
PREFERRED-Supplier@schaeffler.com

Phone: +49 9132 82-0
Fax: +49 9132 82-4950

Every care has been taken to ensure the correctness of the information contained in this publication, but no liability can be accepted for any errors or omissions. We reserve the right to make technical changes.

© Schaeffler Technologies AG & Co. KG
Issued: 2023, January

This publication or parts thereof may not be reproduced without our permission.