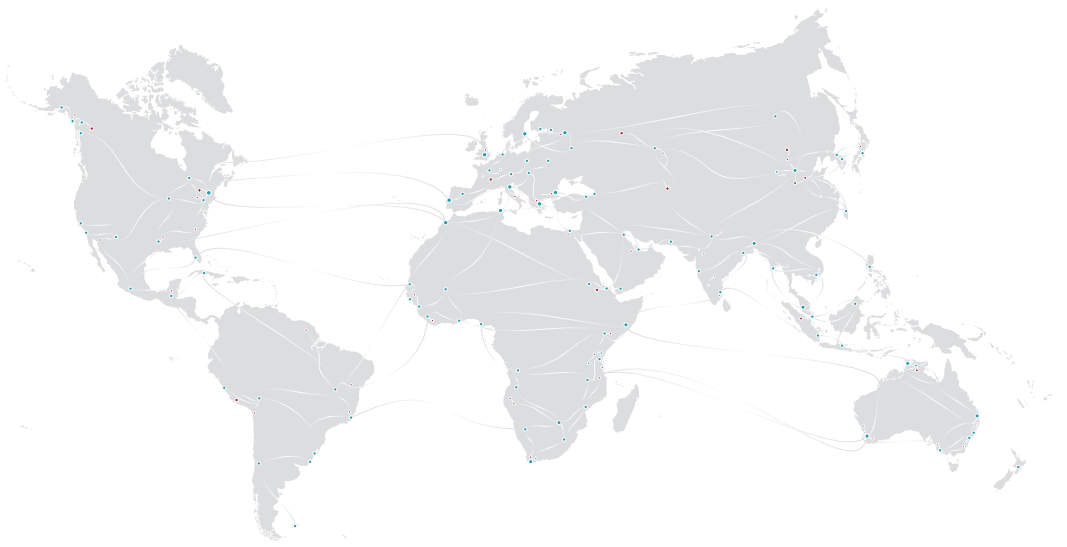


We pioneer motion

Warning: Counterfeit!



Fake



Product piracy affects us all!

Even today, many people still think that counterfeiting is a problem that only affects luxury brands. Whether it's watches, cosmetics, or handbags, markets teeming with counterfeit goods can always be found.

However, the truth of the matter is that today, there are counterfeits of virtually everything, especially machine parts. Now you're probably thinking, "But we surely don't have any of those – and anyway, I always buy from trustworthy sources with whom I have been working for years."

This is a huge misconception, and a lesson that the distributors, who found themselves embroiled in largescale cases of counterfeiting in Europe and the USA have had to learn the hard way...

The Schaeffler Brand Protection Team



Case 1



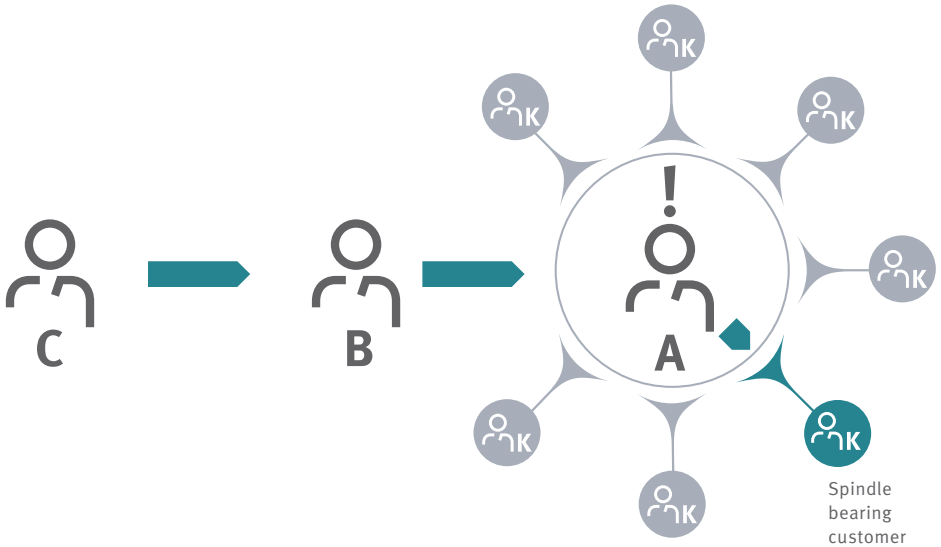
Spindle failure: A hazard for personnel and machinery



These counterfeit spindle bearings were found before they were installed

Our first case was initiated by a conscientious authorized Schaeffler distributor, who was outbid by another distributor (whom we shall refer to as “A”) in a request for proposals issued by a customer from the mechanical engineering sector. Our partner said to himself, “There is no way that “A” can supply original products at such ridiculously low prices!”, so he contacted the customer and offered to have the quotation for the spindle bearings supplied by “A” checked by the Schaeffler Brand Protection Team to see whether they were original.

His suspicion that the goods were counterfeit was confirmed once the certificates were inspected. It wasn’t long after this that the customer had to start sending the spindles back, as the first ones had already failed during the running-in phase. “A,” was utterly shocked when the Brand Protection Team paid him a visit: His supplier, “B,” had provided certificates that supposedly proved that he was getting original Schaeffler products. Unfortunately, what’s written down in black and white isn’t necessarily true, and “B” believed right until the end that his supplier, “C,” was supplying products from Schaeffler’s distribution center in Hong Kong.



Supplier “B” had, however, already been visited by Schaeffler representatives several months before – because he had supplied counterfeit bearings to another distributor. He had already submitted the requested declaration to cease and desist and been made explicitly aware of the dangers involved in importing goods from outside the European economic region.

Nevertheless, he had still believed that the documentation submitted by supplier “C” – supposedly from Hong Kong – was genuine, and had not checked the certificates using our internet database. He is now worried that the customers’ claims for damages as a result of these purchases will push his company into insolvency – and wants us to “stop things like this happening.”



... unfortunately not an isolated incident

This was unfortunately not the only time that “A” had supplied counterfeit bearings. He quickly became a distributor of choice for many people in urgent situations, since he had reliably supplied original products in the past. His new source in Germany (“B”) initially helped to maximize his profits and improve his delivery reliability. “A” then supplied a wide range of product types (including spindle bearings, tapered roller bearings, and spherical roller bearings) from “B” to numerous distributors and end customers (“K”), all of whom were then utterly perplexed when they were visited by the Schaeffler Brand Protection Team and told that, despite quality management measures and incoming goods inspections, they had sold their own customers counterfeit products, or even installed the products themselves.



It’s for your own safety!

If you have even the slightest doubt as to whether a product is original, please send an e-mail with photographs to **piracy@schaeffler.com**

Case 2

Even Colombian television reported when counterfeit bearings worth close to 980,000 euros were seized in several raids on a dealer's branches.

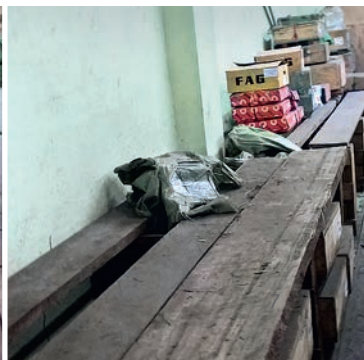
This is one of the biggest successes that the authorities, together with the Schaeffler Brand Protection Team, have achieved so far. But the Schaeffler specialists were not only in Colombia once. Three more missions resulted in seizures at three other stores – and the Brand Protection Team is still on the job.

Colombia could also be anywhere ... Stay alert.

At this retailer in Barranquilla (Colombia), 26,811 counterfeit products worth around 980,000 euros were seized – a major success.



Hardly original goods: empty rows of shelves after the seizure speak for themselves.



Authorized Distributors

This is where you'll find original products!

We recommend purchasing exclusively from our authorized distributors, who obtain original products directly from Schaeffler. Authorized distributors additionally offer expert advice and a full range of accompanying services. It is of course entirely possible to obtain original parts from free

traders; however, Schaeffler cannot make any kind of statement about where these parts come from, how many times they have already changed hands, or whether rolling bearings have been stored in compliance with the technical requirements during their lifecycle.



Scan the Data Matrix code with the OriginCheck App from Schaeffler

There can only be ONE original, because all certificates are printed at a central location. Deviations of any kind are a sign of danger. Please report every suspicious case to us – even if you are only slightly in doubt as to the authenticity!



It's for your own safety!

All authorized Schaeffler distributors are listed on our website, so you can check whether your distributor is among them:

www.schaeffler.com › Authorized Distributors



What is Schaeffler doing to combat counterfeiting?

Since the beginnings of the Brand Protection Team in 2004, much has been achieved, several thousand cases have been successfully handled, and a comprehensive brand protection strategy with legal, organizational, and public relations measures has been developed, implemented, and constantly refined.

Because one thing is certain: counterfeiters do not sleep and primarily want to make money.

Removing counterfeits from the market is therefore a primary goal in order to protect the customer. But so is raising awareness of the issue, supporting customers and

certified retailers in detecting counterfeits, and assisting the authorities.

Briefly summarized: The Schaeffler Brand Protection Team works with a large bouquet of measures to be prepared for each individual case.

An example: Labels with the data matrix code that makes each product unique can be checked by smartphone using the Schaeffler OriginCheck app. This puts our customers in an even better position to purchase original parts from safe sources and to get support from the Brand Protection Team if worst comes to worst.

“Importing our brand name products into the European economic region from outside the European economic region without our express authorization is a trademark infringement.”



It's for your own safety!

Report any suspicion of counterfeiting to us at piracy@schaeffler.com

Multidimensional ...

Is it really worth the risk?

Imagine that the counterfeit bearings you supplied have been installed in a hospital's emergency power supply system. Or in a truck carrying urgently needed cargo. Or what if they are installed in a train's wheel set or a ferry boat's rudder bearing support – to name just a few examples. Would you want to take that responsibility?



Consequences for the distributor

- Liability for all damage resulting from the sale of counterfeit products
- Lawsuits by the injured party
- No damages can be claimed from the original manufacturer
- Loss of image
- Loss of sales
- Damage that can even lead to financial ruin



Risks for the end customer

- Risks to personnel and machinery
- High subsequent costs
- Production stoppages
- Loss of image, as installing a counterfeit part reduces the quality of the company's own product
- Higher maintenance costs



Counterfeiting – a global problem

Globalization is the keyword when it comes to better competitive conditions and simplified purchasing.

However, globalization has also made it much easier to produce and sell counterfeit goods. The counterfeiters' network covers the whole world.



This counterfeit bearing caused major damage to a water desalination plant in the Mediterranean region



Play it safe if you become suspicious!

piracy@schaeffler.com

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