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Press and IR Release

Schaeffler Group to be climate neutral by 2040

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- In-house production to be climate neutral by 2030 and supply chain by 2040
- Specific mid-term targets and measures defined in line with the 1.5 degree Celsius target
- Initial objectives of Sustainability Roadmap achieved

The Schaeffler Group will be operating as a climate-neutral company from 2040. This objective covers the entire supply chain and is underpinned by ambitious mid-term sustainability targets. The Schaeffler Group is therefore accelerating the pace of the Sustainability Roadmap it adopted in 2019.

The company's own production facilities (Scope 1 and 2) will already be climate neutral from 2030, and by 2025 it aims to prevent as much as three-quarters of its production emissions. The emissions from intermediates and raw materials occurring in the supply chain (Scope 3 upstream) will be reduced by 25 percent by 2030. The Schaeffler Group aims to achieve climate neutrality in this area as well by 2040. The base year for all calculations is 2019. To achieve these targets, the company will focus on tangible reduction measures, and only unavoidable emissions will be neutralized by means of carbon offsetting.

Klaus Rosenfeld, Chief Executive Officer of Schaeffler AG, says: "Sustainability plays a key role in implementing our corporate strategy. The decarbonization of the Schaeffler Group by 2040 is a top priority for us. Through our defined targets and specific measures, we are doing our part to help achieve the objectives of the Paris Climate Agreement. In doing so we are strengthening our position as a preferred technology partner and supplier of sustainable solutions and products, for example in the electric mobility and renewable energy segments."

Measures for a climate neutral company

The Schaeffler Group is pursuing a clear strategy to achieve its self-imposed targets and operate climate neutrally from 2040. Specific measures for divisions, regions and functions are being defined and implemented across the company, as Schaeffler rigorously pursues the course it embarked on some years ago. Effectively, the carbon intensity is now being included into the company-wide management model across the entire supply chain of the Schaeffler Group, allowing the effect on the climate of individual process steps to be recorded and managed. The integration of the sustainability targets into the compensation

structures for top executives is also evidence of the company's clear commitment to sustainability.

First targets already met

Since 2020, 100 percent of the electricity purchased for all production sites in Germany has come from renewable sources. This also allowed around 260,000 metric tons of CO2 to be avoided last year. By 2024, all Schaeffler sites worldwide will purchase electricity generated from 100 percent renewable sources. Cumulative energy efficiency gains of 100 gigawatt hours will also have been realized by 2024. This is roughly equivalent to the annual power consumption of 28,500 three-person households in Germany. In 2020, more than 100 measures had already resulted in annual savings of more than 27 gigawatt hours.

"One of our objectives is also to have a strong CDP score. The fact that in 2020, after just two years, we were able to improve our rating from a 'D' to an 'A-', was an enormous incentive for us. Sustainability in all its facets is an integral part of Schaeffler's DNA. We are constantly reappraising ourselves and are making this process transparent, as also evidenced by our comprehensive sustainability reporting," says Corinna Schittenhelm, who is responsible for human resources and sustainability in the Schaeffler AG Executive Board. Other objectives, like the continuous improvement of occupational safety by reducing the annual accident rate by 10 percent on average, and a 20 percent decrease in fresh water use by 2030, show that Schaeffler is taking an integrated approach to sustainability.

Partnerships with sub-suppliers and customers

With its new climate targets, the Schaeffler Group is also intensifying its relationships with sub-suppliers in the area of climate neutrality. Involving sub-suppliers will mean that in the future, Schaeffler will obtain raw materials and intermediates that have been produced using more climate-friendly processes. This is a major challenge in energy-intensive segments like steel and aluminum in particular. To this end, various aspects like the availability of green steel and other sustainably produced raw materials, and the optimization of the circular economy, are being developed and promoted within the context of partnerships.

The transformation in the markets that represent mobility and motion is fundamentally important for Schaeffler as a leading global automotive and industrial supplier. For example, in the fields of electric mobility, regenerative energy production or the production and use of hydrogen, Schaeffler and its partners are focusing on sustainable innovations, because the 1.5 degree Celsius target can only be met if all stakeholders work together. This is also why the Schaeffler Group is a signatory to the UN Global Compact and was chosen as one of the "50 Sustainability & Climate Leaders" by the United Nations in April 2021.

Forward-looking statements and projections

Certain statements in this press release are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. No one undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You should not place any undue reliance on forward-looking statements which speak only as of the date of this press release. Statements contained in this press release regarding past trends or events should not be taken as representation that such trends or events will continue in the future. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that Schaeffler, or persons acting on its behalf, may issue.

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Schaeffler Group – We pioneer motion: The Schaeffler Group has been driving forward groundbreaking inventions and developments in the field of motion technology for 80 years. With innovative technologies, products, and services for electric mobility, chassis solutions, and renewable energies, the company is a reliable partner for making motion more efficient, intelligent, and sustainable – over the entire life cycle. Schaeffler describes its comprehensive range of products and services by means of eight product families: from bearing solutions and all types of linear guidance systems through to repair and monitoring services. With around 110,000 employees and more than 250 locations in 55 countries, Schaeffler is one of the world's largest family-owned companies and ranks among Germany's most innovative companies.

The Schaeffler Group will be operating as a climate-neutral company from 2040.

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CONTACT:

Dr. Axel Lüdeke
Head of Group Communications & Public Affairs
Schaeffler AG
Herzogenaurach
Germany
Tel.: +49 9132 82 8901
E-Mail: axel.luedeke@schaeffler.com

Bettina Lichtenberg
Head of Communications HR & Sustainability
Schaeffler AG
Herzogenaurach
Germany
Tel.: +49 9132 82 40676
E-Mail: bettina.lichtenberg@schaeffler.com

Renata Casaro
Head of Investor Relations
Schaeffler AG
Herzogenaurach
Germany
Tel.: +49 9132 82 4440
E-Mail: ir@schaeffler.com

Susanne Sievers
Senior Manager Investor Relations
Schaeffler AG
Herzogenaurach
Tel.: +49 9132 82 4440
E-Mail: ir@schaeffler.com