

# **Human Rights Policy Statement**





DRÄXLMAIER

# Human Rights Policy Statement

We are aware of our corporate responsibility to respect human rights. Hence, we are committed to defending and working towards human rights and to preventing negative impacts on human rights in our own operations and in our global supply and value chains, to put an end to such violations and minimize them as far as possible and enable victims of human rights violations to obtain redress. We base our business activities on the internationally recognized guiding principles for business and human rights of the United Nations. Furthermore, our understanding and due diligence processes are based on the following human rights benchmarks to which we are committed:

The International Bill of Human Rights, i.e. the United Nations Universal Declaration of Human Rights, the Civil Pact and Social Pact which define civil, political and social rights for all people who have the right to be treated with dignity.

The core labor standards of the International Labor Organization (ILO) with its four basic principles on freedom of association and the right to collective bargaining, the eradication of forced and child labor and the elimination of discrimination in respect of employment and occupation.

We expect our business partners to make the same commitment to respect human rights, undertake to implement appropriate due diligence processes and communicate those expectations to their own suppliers.

## The Company

The DRÄXLMAIER Group is an international automobile supplier with about 65 sites in over 20 countries. The success of the company, that was founded in Germany in 1958, is based on the competence and dedication of about 72,000 employees around the world. This shows openness and tolerance towards all people, cultures and religions. In 2021, the DRÄXLMAIER Group achieved a turnover of € 4.6 billion. Customers of the Top 100 automobile supplier include Audi, BMW, Jaguar, LandRover, Maserati, Mercedes-Benz, MINI, Porsche and VW, as well as carmakers in California. For the DRÄXLMAIER Group, responsible, long-term thinking has always been the cornerstone of economic success. An integral part of the strategy is therefore to make the business and production processes as well as the products sustainable, thus increasing the competitiveness of the company in the long term.

The DRÄXLMAIER Group supplies premium car manufacturers around the world with complex electrical

systems, central electrical and electronic components, exclusive interiors and storage systems for electromobility. The combination of core competencies that include interior, electric, electronic and storage systems, makes the DRÄXLMAIER Group unique in the industry. This covers the whole process chain, from the very first idea through the development and production process, right up to the just-in-sequence delivery of products to the production lines of premium automobile manufacturers. As the inventor of the customized wiring harness, the DRÄXLMAIER Group stands for trend-setting innovations in conventional and alternative drive systems, as well as electrical and electronic components made directly in-house. This includes, without limitation, multi-voltage and high-voltage battery systems.

With its solutions for low- and high-voltage storage systems, the DRÄXLMAIER Group actively participates in a future of emission-free mobility. As a market leader for the complete interiors of premium vehicles, the DRÄXLMAIER Group also supplies leading automakers with center consoles, door panels and instrument panels, as well as complete door and cockpit modules.

## Corporate Principles

The DRÄXLMAIER Group takes active responsibility for social affairs. Hence, sustainability is also an integral part of the corporate values. The Code of Conduct is based on the corporate vision and the corporate values. As such, it provides an insight into the corporate culture of the DRÄXLMAIER Group and is mandatory for all managers and employees. It is an excerpt of the key points of the policies and specifies the desired behavior of employees and external stakeholders, such as suppliers, customers, job applicants and major NGOs (non-governmental organizations).

In its social policy, the DRÄXLMAIER Group is committed to the free choice of employment and rejects all forms of human trafficking and forced, compulsory and child labor. Fair, responsible, respectful leadership of employees is also set out in various other policies, like the Leadership and Employee Policy.

The Sustainability Business Partner Code of Conduct also obliges the business partners of the DRÄXLMAIER Group to respect human rights and prohibits human trafficking, child and forced labor. Not only must suppliers respect these social standards and incorporate them into their own corporate policy, they must also make sure that other parties in the supply chain assume their social responsibility. The specification and objective for the establishment of a business relationship is the acceptance of the Sustainability Business Partner Code of Conduct. In conjunction with the corresponding control mechanisms, the Global Terms and Conditions of Purchase of the DRÄXLMAIER Group also require our suppliers to comply with all legal requirements connected with the supply chain, especially with regards to human rights-related and environmental requirements. Further information can be found on the DRÄXLMAIER Supplier Portal.

### Relevant Human Rights Issues and Potentially Affected Groups of People

We believe in full respect for human rights and focus on our due diligence processes, particularly on issues that we have found to be essential for our company. Laws such as the UK Modern Slavery Act are particularly taken into account. We have found that the following areas contain the greatest risks of negative impact on people directly or indirectly related to business activities at our sites and in our global supply and value chains:

- Forced and child labor
- Constraints on freedom of assembly and association (including systematic control, suppression and sabotage of employee representatives)
- All forms of discrimination (e.g. by gender, age, ethnic and social origin, nationality, religion or ideology, physical or mental disability, sexual orientation)
- Threat to data protection and privacy
- Risk to health and safety at work
- Precarious employment and work conditions
- Danger to people's lives, freedom or safety
- Threat to the right to rest and free time
- Corruption and bribery
- Threats to consumer protection and lack of product

responsibility

- Restrictions of the rights of local communities and indigenous peoples
- Damage to health, shelter or economic assets required for livelihood, such as water, soil or air pollution or deforestation.
- Restriction of land rights
- Restricted access to education

In our efforts to respect human rights, we make no distinction as to the political, legal or international status of the country or territory to which a person belongs, whether that country or territory is independent, does not enjoy self-government or is otherwise limited in its sovereignty. Our focus lies on the following groups of people, as their human rights could potentially be affected by business activities along our global supply and value chains:

- Our own employees at national and international sites, including trainees
- Employees working in raw material production and processing, as well as in the manufacture of intermediate products, small farmers, the employees of service providers and direct suppliers in our direct and indirect supply chain
- People in informal or precarious employment, local trade union representative and trade union members, regardless of where they are in the value chain
- People directly associated with the value chain, such as members of local communities, as well as residents near sites, family members or employees in public authorities.

Within this group of people, we have identified individuals who are more likely to be affected by negative impacts on human rights. These potentially affected individuals hold a separate position in our due diligence process. They are groups of people who have special needs, are socially ostracized or have a hard time making their concerns heard. This particularly vulnerable group of people includes:

- women
- children
- local communities
- the elderly
- poor people
- sick people
- people with disabilities
- people in a weak/unregulated environment
- ethnic/religious minorities
- lesbians, gays, bisexuals, transgenders, intersexuals and queers.
- representatives of the interests of certain groups
- whistleblowers
- precariously/informally employed people
- migrant workers

### **Our Approach to Addressing Human Rights Issues**

For us, respecting human rights is an ongoing process. Implementing human rights due diligence obligations based on changing environmental conditions, type of activity, size and corporate structure is constantly being reviewed and improved.

In order to ensure respect for human rights, we have established human rights due diligence processes as integral parts of our organization and in relationships with our business partners.

The business activities of companies and business relationships in supply and value chains are also associated with impacts on the environment, which can lead directly and indirectly to human rights risks and adverse human rights impacts. Our commitment to respecting human rights therefore includes our environmental due diligence processes.

### **Risk Analysis**

We believe it is part of our due diligence to examine potential and actual negative risks to human rights and impacts of our business activities on people along the value chain in an appropriate way. Thus, we methodically analyze the relevant human rights issues

and those potentially affected by our business activities, as well as direct and indirect business relationships.

For this purpose, we have systematically included human rights issues in our corporate-wide Risk and Supplier Management. Outside criticism of human rights and reported incidents are appropriately taken into account.

The analysis of risks and effects is reviewed every year as warranted when significant changes are made to the company profile or the business activities. To that end, we duly involve human rights experts and selected stakeholders, including representatives or potentially affected groups.

The results of the risks and effects are internally communicated to the operating decision-makers and are incorporated into our corporate decision-making processes with regard to supplier selection, business partner management and product responsibility and development. At the same time, the risk analysis and monitoring of the supplier base forms the foundation for identifying appropriate action. Furthermore, we use the results as a basis of compiling and, where necessary, adapting internal regulation processes and training courses in order to meet the changing requirements of our due diligence.

### **Measures**

In order to live up to our responsibilities, we rely on the interaction of various measures. The aim is to improve the situation of (potentially) affected individuals. For that purpose, we have established standardized processes. We involve those who hold rights and experts, are regularly in touch with other companies, including industry initiatives, and cooperate with stakeholders to promote the implementation of human rights. The concerns expressed by those who hold rights and/or their legitimate representatives, local stakeholders, experts and civil society are appropriately taken into consideration.

Outside our company, our Business Partner Code of Conduct obligates all our relevant direct business partners to comply with national and international laws and regulations, as well as with the ILO's core labor standards, to respect human rights and to appropriately address risks to their own business partners.

### **Effectiveness Check**

At least once a year and as warranted, we make a check to see how effective our measures are in preventing and mitigating adverse human rights effects. Within our company, we also conduct audits, actively pursue information and conduct internal employee surveys. In our value chain, we check the effectiveness of measures by monitoring the results of our ongoing analysis of human rights risks and effects. We also conduct risk-based audits with our direct suppliers as warranted, e.g. in the form of document reviews and online assessments. Where appropriate, we ensure that potentially affected people, or at least their representatives, are involved and that the holders of rights with regard to the afore-mentioned audits are consulted.

### **Complaints Mechanisms**

Appropriate, effective complaints management is an essential part of our due diligence processes to effectively prevent and remedy potential human rights impacts caused by our company and our business activities. We have set up complaints management systems which are accessible inside and/or outside the company.

Among other things, we have a digital whistleblowing system that provides internal and external stakeholders and all potentially affected parties worldwide with a confidential communication channel that enables them to report any violations of human rights and international agreements. Access to the whistleblower system is communicated to these groups proactively and in the appropriate language in order to allow for differences between target groups. Reports can also be made anonymously. We inform the target groups to be reached about the accessible complaint mechanisms by applying measures adapted to the target group and the local context.

Any indication and justifiable suspicion of possible human rights violations are dealt with in a transparent, balanced, predictable process. We respect the confidentiality and, on request, the anonymity, of whistleblowers. We make sure that whistleblowers are protected against discrimination and penalties related to their complaints. The systematic way in which we deal

with complaints and the resulting findings enable us to continually improve our human rights due diligence processes. To this end, we also check the effectiveness of the existing complaints mechanisms and as warranted when significant changes occur in the risk situation or if there are concrete indications of restrictions in complaints management.

### **Redress (as part of action)**

In the event that we, as a company, have directly caused the violation of human rights in our own business area, or if such a violation is imminent, we endeavor to prevent, stop or minimize the extent of the violation and provide redress. Should one of our employees act in a way that is not compatible with human rights, appropriate measures will be initiated according to labor law.

In the event that we contribute or are indirectly linked to potential or actual human rights abuses in the course of our activities, we will strive to have appropriate remediation provided by the responsible entities. We will carefully and consistently follow up on any reasonable suspicions or concrete evidence of potential human rights violations detected in our company or along our upstream and downstream value chain. Depending on the severity of the violation, we reserve the right to act appropriately in connection with our direct suppliers, starting with the request for elimination of the violation, right up to legal action and termination of the business relationship. Regardless of this, we work towards making amends for the violation.

### Reporting

In our annual Sustainability Report, we inform the public of our voluntary commitments, as well as of our due diligence processes and their effectiveness.

### Responsibilities for Human Rights Due Diligence in our Company

We have defined clear lines of responsibility for the performance and compliance with our human rights due diligence obligations. At senior management level, our CHRO, Roland Polte, is responsible for the respect of human rights in our business activities and in our upstream and downstream value chain. To sensitize our employees' respect for human rights and to impart the expertise necessary for effective implementation of human rights due diligence processes in the relevant business areas, we conduct employee training and continuing education programs in the company, e.g. in the form of training courses.

### Commitment to Continually Enhancing our Human Rights Due Diligence Processes

For us, respecting human rights and implementing human rights due diligence obligations in our operational processes constitutes an important contribution to the improvement of the human rights situation along the global supply and value chains of the German automobile industry. We rise to this challenge and promote the continued development of our human rights due diligence processes.

We are committed to efficient due diligence processes. Consequently, we will undertake to establish and maintain dialogue with people who are potentially affected by the negative human rights impacts of our business activities and along our upstream and downstream value chain. The purpose of these dialogue formats is to identify human rights risks and to assess the effectiveness of our actions in preventing, reducing and correcting negative impacts on human rights.

#### **Stefan Brandl**

Vice-Chairman, CEO

#### **Jan Reblin**

CEO

#### **Roland Polte**

CHRO