

# Statement on Combating Modern Slavery

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## Committed to ethics and integrity

DRÄXLMAIER is committed to adhering to laws and regulations at a global level with regards to fair working conditions and combatting human trafficking, the exploitation of labour and modern slavery. Furthermore, the company discloses the measures it takes to ensure fair working conditions in production within the supply chain.

The UK Modern Slavery Act requires companies operating in the United Kingdom to publish a statement every year on combatting modern slavery and human trafficking. This statement describes the activities undertaken by the DRÄXLMAIER Group to prevent employees from being exploited and to combat modern slavery human trafficking. This is effective both for the company's internal operations and the supply chain.

## The company

The DRÄXLMAIER Group is an international automotive supplier with over 60 sites in more than 20 countries. The success of the company, which was founded in Germany in 1951, is based on the competence and commitment of around 75,000 people worldwide. Due to the global nature of our operations the DRÄXLMAIER Group adopts an open-minded and tolerant approach towards all people, cultures and religions. In 2019, DRÄXLMAIER achieved a turnover of 4.9 billion euros. An integral part of the strategy is therefore developing the business production processes and products more effectively, thus increasing the competitiveness of the company in the long term.

The DRÄXLMAIER Group supplies premium carmakers worldwide with complex on-board electrical systems, central electric and electronic parts, exclusive interiors and battery storage systems for electro-mobility. The combination of core competences in interior, electric, electronic and storage systems make DRÄXLMAIER unique in the industry.

The company covers the entire process chain, from the very first idea and the development and production process, right up to Just-in-sequence delivery of the products to the production lines of the premium carmakers.

As the inventor of the customized wiring harness, the DRÄXLMAIER Group today develops trend-setting on-board electrical system technologies, electric and electronic parts. This also includes multi-voltage and high-voltage on-board electrical systems, battery management systems and intelligent power distributors. For the emission-free mobility of the future, DRÄXLMAIER is working with its solutions for low-volt and high-volt battery storage systems. As the market leader in interior systems for premium vehicles, the DRÄXLMAIER Group also supplies premium carmakers with ambient lighting, center consoles, door panels and instrument panels, as well as complete door and cockpit modules.

In its purchasing strategy, DRÄXLMAIER works with an international network of qualified suppliers. We source almost two thirds of our total purchasing volume from the economic area of Europe-Arabia-Africa, about one third from Asia and the NAFTA countries of Canada, Mexico and the USA.

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## Corporate Principles and Covenants

In 2015, the United Nations set the targets for sustainable development in order to fight poverty, protect the planet and create prosperity. Derived from the agenda of the United Nations, DRÄXLMAIER formulated its sustainability strategy in 2017 with the three strategic targets of “Resource Efficiency and Carbon Management”, “Sustainable Supply Chains” and “Responsible Partnership”. In terms of the target “Responsible Partnership”, work in the company is based on the internally and globally effective Code of Conduct that includes our [Social Policy](#). In its social policy, DRÄXLMAIER is also committed to free choice of employment and rejects all forms of trafficking of human beings, forced, compulsory and child labor. The social policy has also been filmed as a video and translated into all the corporate languages. The training video is being used in the internal media of the company. Adherence with the social policy is checked by Internal Auditing.

Various other policies require fair, respectful, responsible personnel management. Real and potential violations of internal standards and laws and other complaints can be reported to the competent department in Complaints Management. The basis for this is formed by the Complaint Management Policy. The [Sustainability Policy for Suppliers](#), which is derived from the strategic target of “Sustainable Supply Chains”, requires the business partners of the DRÄXLMAIER Group to respect human rights and forbids human trafficking, child and forced labor. Suppliers are not only required to respect these social standards and take them into account in their own business policy, they also have to ensure that the other entities and stakeholders in the supply chain acknowledge their social responsibility. The minimum requirement for the establishment of a business relationship is the recognition of the sustainability policy by our suppliers. Also the global purchasing conditions of the DRÄXLMAIER Group prohibit the use of involuntary or forced labor, such as child, slave or prison labor.

## Corporate Due Diligence

Risk assessments in the supplier network are made based on a defined risk analysis process. This process, along with a supplier assessment may also include specific action plans.

The process culminates in a risk level for each supplier. It results in appropriate measures to reduce and handle special supplier risks. We use a risk software in order to monitor the individual risk levels. This enables the presentation and prioritization of all supplier risks. A standardized self-declaration is used in which suppliers also document on competences, directives and management systems, e.g. to prevent trafficking in human beings, forced and child labor in their own organizations and in the supply chain. In addition, DRÄXLMAIER is involved in industry-specific and cross-industry initiatives to improve sustainability in the supply chain.

## Risk Management in the Supply Chain

The DRÄXLMAIER Group has identified critical raw materials and supply chains, on the back of analyzing research literature, our stakeholder’s interests and the media. Through this conflict minerals, which are extracted in violation of human rights, were identified. In 2012, the U.S. regulator passed the “U.S. Dodd-Frank Wall Street and Consumer Protection Act” with the aim in reducing the trade in conflict minerals. Our suppliers are generally not required to supply components with raw materials from the Democratic Republic of Congo or its neighboring countries. We also inform interested customers in accordance with the U.S. Dodd-Frank Wall Street and Consumer Protection Act about the extent to which our products contain conflict minerals such as gold, tantalum, tin or tungsten. Other raw materials are prioritized in industry initiatives with regard to their sustainable impact.



Fritz Dräxlmaier  
Chairman DRÄXLMAIER Group