



DRAXLMAIER

# Statement on Slavery and Human Trafficking

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## Commitment to Ethics and Integrity

The name of DRÄXLMAIER has stood for entrepreneurship for decades. A family history like that characterizes the ideas of generations and commits them to assume responsibility. Sustainable action was real at DRÄXLMAIER, even before the term became a trend. We consider responsibility for an independent family-owned enterprise as being the same as responsibility for a corporate family.

As one of the top 100 suppliers in the premium automobile industry, innovation for us is a prerequisite for being able to survive in the highly competitive market. But innovations are always created by people. For that reason, among other things, our focus is on people.

We operate in over 20 countries in the world. Therefore, we take cosmopolitanism and tolerance towards all people, cultures and religions for granted.

We are firmly convinced that the success of the organization is based on the competence and dedication of the workforce worldwide.

We have expressed our globally effective [Social Policy](#) in this spirit, not only to live up to the legal requirements, but also to express the values that we act out all over the world every day.

## California Transparency in Supply Chains Act

The California Transparency in Supply Chains Act of 2010 requires certain large retailers and manufacturers doing business in California to provide disclosures concerning their efforts, if any, to address the issues of slavery and human trafficking in their supply chains. This Statement on Slavery and Human Trafficking is responsive to the California Transparency in Supply Chains Act.

The DRÄXLMAIER Group being a supplier of individual electric and interior systems for premium automobiles on a worldwide scale operating in over 20 countries with global sourcing of pre-products and raw material is committed to manufacturing its products under fair working conditions and to sourcing its supplies from enterprises who have agreed to operate their supply chains in compliance with all applicable laws.

In particular, DRÄXLMAIER condemns the use of child labor, slavery and human trafficking. The Group has issued statutes and has implemented an internal global [Social Policy](#) to set standards for the enforcement of human rights including the prohibition of human trafficking throughout the company including compulsory trainings for relevant employees on the topic of a fair and respectable behavior.

## Evaluation and Verification of Supply Chains

We are in the process of designing an action plan to evaluate and address the risk within our supply chain in order to establish whether our direct product supply chain is tainted by child labor, slavery or human trafficking, in light of the specific circumstances of our operations. This assessment will segment our suppliers into a limited number of risk-weighted categories based on such factors as country of origin, type of product provided, publicly available information concerning the supplier's human rights record, reports of human rights organizations, the annual dollar value of purchases, and similar factors. The evaluation will be conducted by our own product sourcing personnel and not by a third party. However third party service providers or organizations (including NGOs) will be utilized if this helps to assess regional risks and/or enforce compliance.

We will most likely implement a standardized due diligence process which will include evaluation of the suppliers' endeavors to prevent a violation of labor laws including a fixed set of items to be assessed and evaluated.

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## Supplier Audits

It is a condition to doing business with DRÄXLMAIER that each direct supplier agrees to comply with the laws of the countries in which it does business (including laws against child labor, slavery and human trafficking). This condition is incorporated into our standard terms and conditions governing every purchase order issued by us. In addition, we reserve the right to require each direct supplier to acknowledge in writing its understanding of our policy requiring full compliance with all applicable.

We reserve the right to inspect, or to have a third party inspect, our direct suppliers' facilities and business practices for compliance with applicable laws and to suspend or terminate any supplier who fails to comply with all applicable laws or to cooperate in any such inspection, subject to the opportunity to rectify the failure where appropriate. In general, we do not anticipate that we will audit supplier compliance using independent third parties or unannounced inspections because we do not believe that the substantial costs of such audits or inspections would provide meaningful additional protection for workers of our direct suppliers.

## Certification of Compliance with Laws

We generally reserve the right to require each direct supplier to acknowledge in writing upon request its compliance with applicable laws.

## Accountability

We generally reserve the right to suspend or terminate any supplier who fails to comply with all applicable laws or to cooperate in any inspection of its facilities, subject to the opportunity to cure the failure where appropriate. In the event that we discover that an employee has failed to comply with applicable laws, we will address such failure on a case-by-case basis in light of the specific circumstances consistent with our commitment to social responsibility.

## Training

We are in the process of developing trainings that will provide our employees who have direct responsibility for supply chain management with training on our human rights policies, including our policies regarding child labor, slavery and human trafficking, particularly with respect to mitigating the risk of human rights abuse within the product supply chain.



Fritz Dräxlmaier  
CEO & Chairman of the Executive Board