



DRAXLMAIER

# 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 labor 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. Hence, there is open-mindedness and tolerance towards all people, cultures and religions as a matter of course. The success of the company that was founded in Germany in 1951 is based on the competence and commitment of around 70,000 people worldwide. In 2017, DRÄXLMAIER achieved a turnover of 4.1 billion Euros. For the DRÄXLMAIER Group as an owner-managed company, responsible, long-term thinking has always been the basis for economic success. 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. In the process, 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 and 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. Two thirds of the suppliers come from the economic area of Europe-Arabia-Africa, 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 [Social Policy](#). In its social policy, DRÄXLMAIER is also committed to free choice of employment and rejects all forms of trafficking in 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](#) that is derived from the strategic target of “Sustainable Supply Chains” obligates 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 actors in the supply chain acknowledge their social responsibility. The [global purchasing conditions](#) of the DRÄXLMAIER Group also 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 on the basis of a defined risk analysis process, that besides 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. Besides that, the risk assessments are supplemented and carried out on the basis of additional sustainability criteria in the course of a pilot project. For that purpose, DRÄXLMAIER makes use of the [sustainability self-declaration](#) that is used by the OEMs and standardized by CSR Europe. In the self-declaration, the suppliers also report 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. The first step for DRÄXLMAIER was to request the self-declaration from 100 key suppliers. These 100 key suppliers cover 80 percent of the purchasing volume. In the working group sustainability in the supply chain of the Verband der Automobilindustrie e.V. (VDA) (German Association of the Automobile Industry), DRÄXLMAIER also participates in the development of an industry-wide standard to audit sustainability that includes the aspects of human trafficking and forced and child labor in the supply chain.

## Risk Management in the Supply Chain

DRÄXLMAIER identifies critical raw materials and supply chains on the basis of media and literature research and of the analysis of stakeholder interests. The working conditions along the supply chains are a standard for criticality. As a result of this observation, DRÄXLMAIER gave priority to an initial supply chain in a [pilot project](#). First, supply chain mapping was applied to create transparency in the supply chain to subsequently systematically reduce the identified risks in cooperation with a customer and with international and national non-government organizations (NGOs). The experience gained in the pilot project will be expanded on and the next step will be to examine an additional supply chain with other suppliers.



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