

Sustainability Report 2020

DRÄXLMAIER Group



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Introduction

Dear Readers,

Over the past few months, we have been making a mutual stand against the pandemic. We have forged even closer ties with each other, jointly mastered the short-time work phase and shutdown, and have achieved a successful restart. In short, we have acted responsibly to protect the health of all our employees and their families and, at the same time, to maintain the company's commercial capacity to act. That has enabled DRÄXLMAIER to get through the difficult times to date. I want to thank each and every one of you for your outstanding commitment in the past months.

The pandemic still demands our attention every single day. Yet, at the same time, we are also facing even greater challenges. Protecting the environment, respecting human rights and securing a worthwhile future for the coming generations – this all needs mutual, responsible action, here and now, with complete dedication. Once again, we need to focus on taking responsibility for each other. This attitude is nothing new for a family-owned company like DRÄXLMAIER: it is part of our corporate culture that is founded on a system of values that have always been the driving force behind our actions. We want to continue along this path independently and responsibly in the future. We are convinced that corporate success is only sustained if it remains consistent with social and ecological aspects. Sustainable action will then become the guiding principle for the future viability of every company.

Working from this viewpoint, we want to integrate the principle of sustainability to an even greater extent in all the areas and processes at DRÄXLMAIER. We have already succeeded in this in many places, but we still have work to do in others. To make our actions transparent, we plan to document our progress year by year in a sustainability report, which will be compiled according to the standards of the Global Reporting Initiative. What you have before you is the first of these reports. It shows where we stand on the topic of sustainability, what we have planned for the future and how we want to achieve it. At the same time, it provides numerous examples of the power that can be unleashed by a culture of sustainability like the one we are experiencing at DRÄXLMAIER today. It creates solutions for the benefit of everyone on the basis of the creativity and innovative strength of individuals – for a future worth living.

I am very pleased that you have decided to continue down this path with us and hope you enjoy reading the report!

Yours,



Fritz Dräxlmaier

Chairman of the Board

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”

Our ambition is to design future individual mobility in a way that enables us to fulfill both economic requirements and our ecological and social responsibility.

“

Fritz Dräxlmaier, Chairman of the Board



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The DRÄXLMAIER Group is an international automobile supplier with more than [60 sites in over 20 countries](#) and with headquarters in Vilsbiburg. In 2020, the 75,000 people we employ generated sales of over 4.2 billion euros. That puts us among the top 100 companies in our industry and at the same time, makes us one of the largest family-owned companies in Germany.

Founded in 1958 and directed by the owners to this day, the DRÄXLMAIER Group has always set itself apart with its long-term mindset and responsible conduct. We consider open-mindedness and tolerance towards all people, cultures and religions a self-evident maxim. With their performance and commitment, each and every employee takes part in shaping the character of our company and its products. We are convinced that this is the basis for our economic success.

We have been a reliable partner to the international automobile industry for decades and we are one of the technological leaders in the premium segment. As a specialist for innovative vehicle electric systems, battery systems, modern electrical and electronic components as well as exclusive interiors, we support nearly all the premium carmakers throughout the development process of their vehicles – from the very first idea and the development and production process, right up to just-in-sequence delivery of the products to the assembly lines of the manufacturers.

Our claim – WE **CREATE** CHARACTER – is our vision in a nutshell. At the same time, it expresses our ambition to ensure that the premium vehicles that bear our products are unique. Sustainability is a part of this ambition, and it is an integral part of our strategy to continually increase the sustainability of our business and production processes as well as our products, thereby increasing the competitive position of our company in the long term. We also incorporate our entire supply chain in this claim, as sustainability does not merely start at our plant gates.



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Opportunity and Risk Management

GRI 102-11 As a globally operating automobile supplier, the DRÄXLMAIER Group works in a complex, dynamic environment. In order to be successful in the market over the long term and to generate competitive advantages, risks and opportunities have to be identified, evaluated and controlled using appropriate measures. The management of opportunities and risks is therefore integrated in all our business processes. This is the only way we can be prepared for changes of all kinds and ensure successful company growth.

The high momentum in our industry environment gives us the chance to use potentials and thus continue improving the future development of our business and the Group's position. The focus here is on innovations that enable us to selectively expand our market share by building up unique selling propositions and, with that, to generate profitable growth. Sustainable action and the ecological efficiency of our products play a significant role in this connection ([also see Chapter on Sustainable Products](#)).

At DRÄXLMAIER, risks are systematically identified at an early stage by group-wide Risk Management, and they are analyzed and assessed with regards to probability of occurrence and impact. The Executive Board receives a standard report on the current risk situation of the Group at least once per year.

The principles upon which the Risk Management of the DRÄXLMAIER Group and its divisions are based are outlined in the DRÄXLMAIER [Risk policy](#). Early detection of essential, existing threats enables Risk Management to assist the Management in maintaining corporate, financial flexibility in order to sustainably increase the enterprise value and, with that, to ensure successful company growth in the long term.

In doing so, we also take into account significant risks arising from aspects relevant to sustainability, such as climate change and its impact on our business activities. For the assessment, the reported non-financial risks in the operational areas are analyzed together with the strategic risks as defined by a team of experts.

Further information on the Risk Analysis can be found in the chapters on ["Human Rights"](#) and ["Sustainability in the Supply Chain"](#).



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In 2020, we revised our sustainability strategy and re-drafted it on the basis of a materiality analysis. This is how we want to face the challenges ahead and at the same time, use the opportunities that are provided by the sustainable structure of our company. The basis of the re-structuring was a materiality analysis, which we conducted together with an external institute in order to determine the essential issues for our Sustainability Management. These issues were then divided up into fields of action – "Sustainable Products", "Climate and Environment Protection" and "Social Responsibility".

All the ongoing actions and projects of our Sustainability Management must contribute to at least one of these fields of action. There are also plans to scrutinize and enhance the sustainability strategy on an ongoing basis.

DRÄXLMAIER Sustainability Strategy



Social Responsibility

- Employment
- Human Rights
- Health and Safety
- Education and Training
- Diversity and Equal Opportunity
- Compliance and Anti-corruption



Climate and Environment Protection

- Emissions and Energy
- Waste



Sustainable Products

- Ecological Product Design
- Sustainability in the supply chain



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Materiality analysis – which issues are essential?

With the help of the materiality analysis, we want to place the focus of our activities on those issues that are greatly or extremely relevant for both our external and internal stakeholders.

As a starting point for that, we compiled a comprehensive list of sustainability issues connected with our business operations. We also supplemented the issues considered essential by our customers and major competitors with those determined by the supporting external institute as part of the risk assessment of the automobile sector.

The comparison between the assessment by the internal experts and the external institute resulted in a pre-selection, which was then prioritized in an internal GRI materiality workshop. The evaluation resulted from the number of nominated topics. In order to take sufficient account of internal company factors, representatives were invited from Human Resources, Purchasing, Sales, Marketing, Corporate Communications, Risk Management, Development, Production and Sustainability. After that, external stakeholders were identified and consulted by the institute in order to incorporate as many opinions and expectations as possible. When choosing the stakeholders, those groups which are particularly affected by the activities of the DRÄXLMAIER Group and which have an impact on our success were particularly taken into consideration.

The assessment of the individual issues included our business model, processes and existing framework conditions. For example, the way in which we perceive ourselves as an international company shows that on a global basis, we consider the same high occupational health and safety standards, diversity and equality, and also training and careers to be key issues. Having more than 60 sites also gives us major leverage to reduce energy consumption and emissions. In contrast, the issue of water was given less attention due to our comparatively low consumption. Anti-corruption (as an explicit part of Compliance) and diversity and equality issues were also assessed as essential in a subsequent review process due to their fundamental significance.

The sustainability strategy was developed, goals and measures were defined, and this sustainability report was formulated on the basis of the issues identified in this way.

Sustainability organization

Our Sustainability Management is marked by lean structures and clear responsibilities. The Executive Board provides the strategic direction and makes the appropriate decisions. Thus, in 2020, a decision was made that as of 2021, sustainability was to be incorporated in the functional goals and in the personal goals of the top management level.

The Group Sustainability Management is responsible for the establishment of the management processes and the specification and optimization of internal standards. The strategies and goals are agreed on by the Executive Board and the Chairman of the Board and are implemented according to the stipulated sustainability roadmap. For that purpose, the topics from the stakeholder dialog are recorded and incorporated in the companies. To achieve the set goals, it has the authority to issue directives to the other corporate functions.

Sustainability Management regularly reports to the Chairman of the Board and reports every week to the head of Group Governance. Furthermore, the Executive Board receives a monthly report on current measures and projects..

The cross-functional sustainability committee meets every month under the chairmanship of Group Sustainability Management. It consists of representatives from the functions and is extended or supplemented by other members if necessary. Furthermore, there is continual direct communication between the sustainability department and the individual departments. They are responsible for implementation of the individual projects and for achieving the set sustainability goals.



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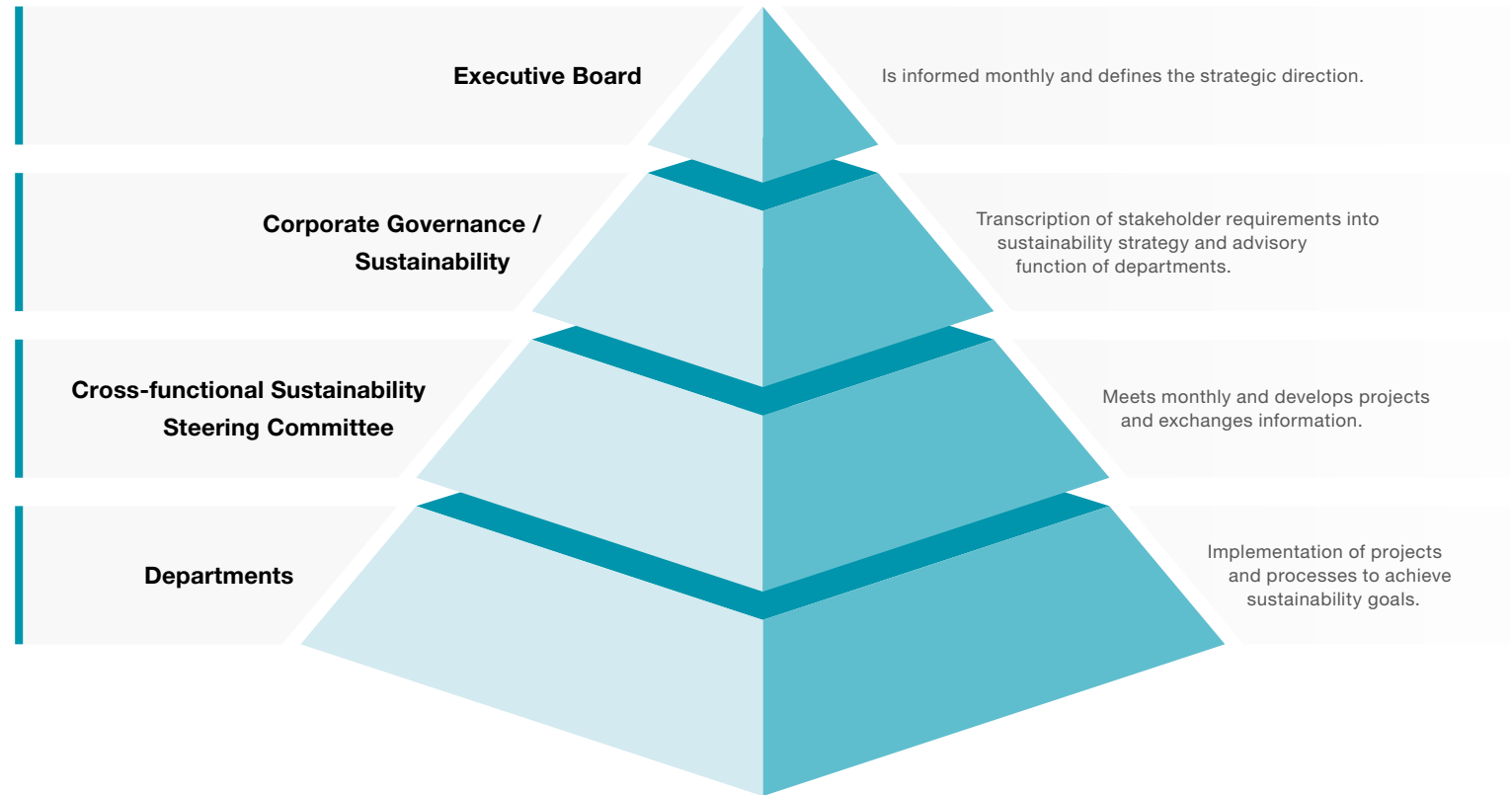
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Our sustainability organization



Stakeholder Dialogue

Ongoing exchange with our stakeholders is a mainstay of our Sustainability Management and always provides us with important impetus. Internally, the focus is on dialogue with our employees, as their motivation and passion are decisive for our success as a company.

As external stakeholders, the focus is primarily on our customers and suppliers, just like banks, associations, academic institutes, politicians, local communities and non-government organizations (NGO's). In order to maintain exchange with them, we are involved, among other things, in the Foundation 2° – German CEOs for Cli-

mate Protection, in the Carbon Disclosure Project and in the industry dialogue of the automobile industry on the national action plan for business and human rights. In the German Association of the Automotive Industry, we are represented in the working group on sustainability in the supply chain.

We hold political dialogue and discussions at local, national and European level. We also maintain close exchange with our customers on sustainability issues and pursue mutual projects.



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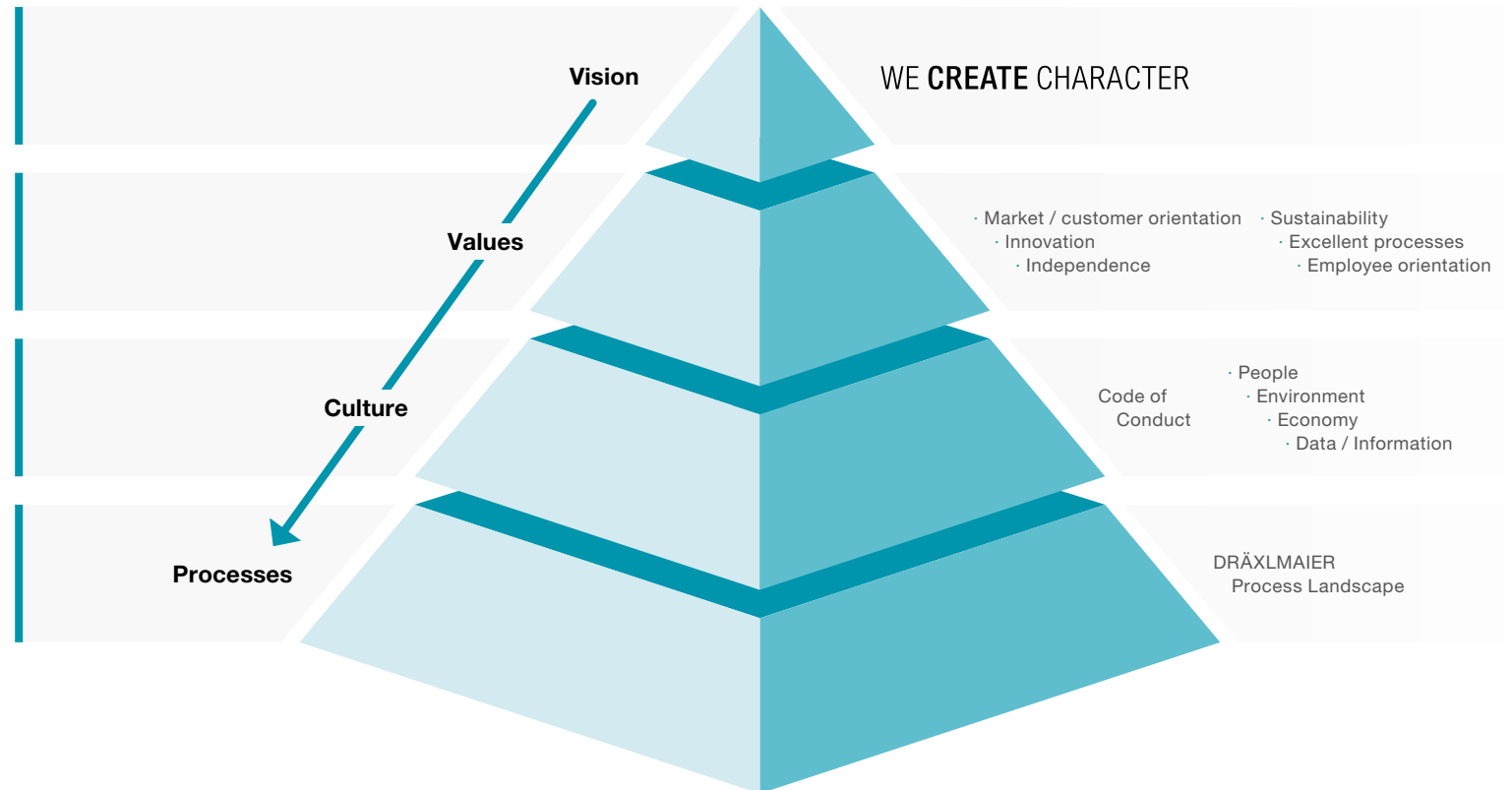
Corporate Principles and Values

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Our corporate culture is marked by clearly defined values, which determine our actions – sustainability is one of them. That way, we assume active responsibility for the environment and the climate, for our employees and their families and for the sustainable development of society, of which we consider ourselves a part.

Our set of values and our corporate culture are reflected in the [Code of Conduct](#), which we revised in 2020 and regularly update. It outlines the important points of our policies in the fields of people, environment, economy and the use of data and information.

The [Code of Conduct](#) is binding for all members of the management and employees and sets clear objectives for their conduct, such as dealing with customers, suppliers, applicants or external stakeholders. In addition, the policy also formulates the expectations we have in relation to our business partners in terms of sustainability, particularly with regard to respect for human rights.

Our Corporate Strategy





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The DRÄXLMAIER Group is committed to respecting [human rights](#) and is committed to adhering to laws and regulations on fair working conditions, combatting human trafficking, labor exploitation and modern slavery at a global level. Human rights abuses and violations are not tolerated and are rigorously sanctioned. Corporate Management, all the employees and our suppliers are urged to implement these principles and prevent any human rights violations from occurring in our business activities.

To ensure this, we pursue a bipartite management approach. It extends both to our own sites and to the entire supply chain.

High Standards for our own Actions

In its [social policy](#), the DRÄXLMAIER Group is committed, among other things, to free choice of employment and rejects any form of human trafficking and forced, compulsory and child labor. Adherence to these specifications is closed examined by Internal Auditing through on-site audits that take place every year. In 2020, this process was only carried out to a limited extent due to the impact of the pandemic.

The social policy was communicated extensively in the company and translated into every corporate language. In addition, the principles were recorded in a film. The corresponding video is always available in the Intranet. Fair, respectful and responsible leadership of employees is also embedded in various other policies (also see Chapter on [Social Responsibility, DRÄXLMAIER – an attractive employer](#))

An internationally established complaints procedure enables our employees throughout the world to speak out and initiate improvements, and to report unfairness and offences. Here, too, the globally effective policy sets the standards, provides guidelines for all our national subsidiaries and complies with legal conditions that are in force locally.

We ensure the effectiveness of the complaints procedure by providing extensive information to all employees about the complaints process, ensuring simple process steps and anonymous reporting channels, as well as well-founded monitoring, thus creating the prerequisite for being able to quickly initiate appropriate counter-measures

Clear obligation of the suppliers

The Sustainability policy for Suppliers obligates the business partners of the DRÄXLMAIER Group to respect human rights and forbids human trafficking, child and forced labor. Suppliers not only have to respect these social standards and include them in their own corporate policies, they also have to ensure that other players in the supply chain acknowledge their social responsibility.

Acceptance of the sustainability policy by our suppliers is the basic prerequisite for forming a business relationship. The global terms of purchase of the DRÄXLMAIER Group also forbid the use of involuntary or forced labor, such as child labor, slave labor or prison labor. Further details on human rights due diligence in the supply chain can be found in the chapter on "Sustainability in the Supply Chain".

Anyone who wants to express their concerns about the integrity of the DRÄXLMAIER Group, particularly concerning the violation of human rights, can turn to [Compliance Management](#) or to the [ombudsman](#) as a direct contact. Reports can always be submitted in the local language, so everyone has an equal opportunity to provide information.



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Legally compliant behavior and the prevention of the infringement of laws and regulations ensure the sustainable success of our company. Violations can lead to personal liability and criminal consequences for individual employees or executive bodies in the DRÄXLMAIER Group and may cause reputational damage. For a supplier to the automobile industry, there are special compliance risks in the area of price agreements, the exploitation of market power in dealings with suppliers and in the acceptance of personal advantages.

Against this background, the Compliance Management System (CMS) of the DRÄXLMAIER Group pursues the goal of preventing infringements against legal and internal corporate rules, thereby averting potential damage to the company and ruling out personal liability by the corporate bodies and employees. For that purpose, behavioral guidelines for executives and employees were implemented and internal Compliance Officers and external ombudsmen were appointed.

Besides regular Compliance Risk Analyses, from which further preventive action is derived, preventive action also includes various training courses for employees, such as the proper way to deal with gifts or ensuring fair competitive practices. Certain E-learning courses are mandatory for a defined group of employees who are particularly exposed to compliance risks. The modules are available on the Learning Management Systems throughout the Group. The training concept pursues a risk-oriented approach, which provides courses and refresher courses at regular intervals – this way, almost full coverage of the relevant employees can be achieved.

The DRÄXLMAIER Group provides information on compliance on its web site, particularly on Whistleblowing Management. All employees in the Group also have access to compliance information through the Intranet.

Violations against the behavioral guidelines can be reported to the competent [Compliance Officers](#) or to the external [ombudsman's office](#) through a group-wide whistle-blower system. They accept reports from both employees and external third parties.

Information received by the managers in Compliance are systematically recorded, processed and sent to the responsible units for clarification. They check the facts of the case and inform the Compliance department of the results or the measures that must be taken.

The central Compliance division regularly conducts workshops together with the local Compliance Officers in order to mutually develop the Compliance program and implement preventive measures to reduce compliance risks. The focus here particularly lies on the increased use of training courses. Furthermore, the Compliance Management System is being further expanded against the backdrop of pending legislation in Germany and at EU level.

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Our understanding of sustainable products comprises the whole value chain and includes both ecological and social criteria. We want to identify, assess and continually improve the ecological impact of the materials and processes we apply, from material procurement right up to product delivery.

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Dr. Markus Junginger, CTO, DRÄXLMAIER Group

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103-3 We want to use our products to make the future of mobility sustainable, drawing on the same innovative power, competence and passion with which, for more than 60 years, we have continually been setting standards and developing solutions for our customers that offer absolute added value. It is what makes our company unique and sustainable products reflect this aspiration.

Our product portfolio comprises four segments:

- **Electrical Systems**

Electrical products made by DRÄXLMAIER have been shaping the architecture of vehicle electrical systems in the automotive field for many years. We are considered the "inventor" of the customized wiring harness and have mastered this complexity in more than 10³¹ variants – just-in-time and just-in-sequence at our customers' sites.

- **E-Mobility Systems**

We have always been innovators and a source of ideas in the automobile industry. We are pioneers and first movers on the market in the field of electromobility: DRÄXLMAIER provides the whole E-mobility package, from charging sockets, wiring harnesses and high-voltage switchboxes, right up to battery systems.

- **Connector Systems**

Our contact and connector systems for high and low voltage systems cover a wide range of applications. They are perfectly designed for the required loads and have optimal dimensions, which reduces weight and saves resources.

- **Interior Systems**

We lend character to vehicles by using innovative product ideas for the design and technical characteristics of instrument panels, center consoles and door panels. We are one of only a few automobile suppliers that are able to perfectly combine interior and electronic systems with one another and reliably supply excellent quality in precise sequence to our customers' final assembly lines throughout the world. As a market leader for complete interiors of high-quality premium vehicles, we not only have an overall understanding of the automobile, we also have extensive know-how in the field of virtual validation, system integration, assembly processes, variant control and supplier management.

In 2020, we introduced the Group program "ecosolutions", which integrates environmental aspects into the entire value chain. One focus lies on the way in which our products are created so that we can ensure greater sustainability – particularly in the protection of the environment and the climate – from the very first product idea, the design, development and application, right up to the supply of spare parts. That means we can offer our customers more environmentally-friendly solutions over the long term and at the same time, we can make an important contribution to sustainable development in the automobile industry.



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We pursue two central objectives with our products:

- **Ecological Product Design**

We want to use resources as efficiently as possible and minimize greenhouse gas emissions (CO₂e). To do that, we work consistently towards reducing the use of materials and energy.

- **Sustainability in the Supply Chain**

The greatest potential for reducing the ecological footprint of our products mostly lies in the supply chain. We want to exploit this potential through continual, cooperative supplier development and consistent supplier management. We are also involved in initiatives to promote standardized sustainability standards throughout the whole supplier network and to establish review mechanisms, for example in the extraction and processing of critical raw materials.

We want to use as few resources and energy as possible in the manufacture of our products. That is why we are continually endeavoring to optimize our processes. Close, cross-functional cooperation – particularly among the Purchasing, Development, Production, Logistics and Sales departments – is decisive for success. To get an exact idea of sustainability along the whole value chain, we assess all our process steps in an integrated approach to emissions and integrate the ecological performance of our plants in our CO₂e footprint – up to product level if necessary – by way of the so-called plant emission factor (also see the chapter on [Climate and Environment Protection, Emissions and Energy](#)).

In 2020, we launched a cross-functional project aimed at automatically showing the CO₂e footprint of our products, in addition to the product characteristics and the price. We want to have integrated all our products into this approach by the end of 2021 and it will enable us to set up a CO₂e accounting analysis for every DRÄXLMAIER product. Our customers benefit from this approach because that way, we can always provide them with the most ecological product alternative and with important decision-making criteria for the sustainable design of their own products.



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The DRÄXLMAIER Group is one of the most innovative companies in Germany. More than 4,000 employees with know-how, dedication and creativity in the field of research and development make an important contribution to the success of the company. We want to exploit this potential to take part in the sustainable development of mobility with a view to the effects on future generations. Besides taking ecological and social criteria and economic aspects into account, we ultimately need to impress our customers with sustainable products.

Looking at the environmentally-friendly design of our products, we focus on the selection of materials and parts, the product design, logistics and the energy required for production (also see the chapter on [Climate and Environment Protection, Emissions and Energy](#)). For that, the following aspects in particular were taken into account:

- Less material diversity and complexity, fewer parts
- Use of environmentally compatible or renewable raw materials as far as possible
- Consistent use of lightweight construction options
- Customized disassembly concepts

Product design and selection of materials and components

We take measures wherever our actions are most effective. To do that, we used CO₂e balances (based on DIN EN ISO 14040/44/67) for selected products to identify and evaluate the available potential for reducing emissions. It proves that we specifically contribute to climate protection, both through our choice of material and components and by choosing appropriate constructive measures so that we can promote the principle of a circular economy.

To achieve the identified potentials and synergies among the product characteristics and material combinations, our aim is to attain full material characterization of the materials and parts that we use. The use of more ecological raw materials plays a major role for DRÄXLMAIER, particularly in metals and plastics. In the past few years, we were able to achieve a plastics recycalate rate of up to 45 % for many of the parts used in interiors. Copper is one of the essential raw materials used in vehicle wiring systems. Secondary materials can be used with hardly any problems due to the material properties. In component parts, sustainable material substitution, e.g., replacing polyamide by polypropylene, enabled us to reduce CO₂e without compromising on specific requirements for individual components. We generally consider plastic as a replacement for metallic materials due to its established advantages – lighter in weight, freedom in design and integrated functions. However, material substitutes like that are not always feasible in mechanically demanding, highly stressed components.

Recycled proportion of our outsourced plastic granules*



* in the Connector Systems and Interior Systems segments



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Renewable raw materials have been used in series production for several years now and so they are already part of the standard portfolio of the DRÄXLMAIER Group. We consider ourselves a reliable systems supplier, above all, for door panels (e.g., in the BMW i3) and center consoles. We started using natural fibers in door panels for one of our customers back in 1997. This was followed by 15 series projects for almost all our customers up to now. Recently, we were able to optimize the process even further: 55 % percent of the side panel of a center console is made of Kenaf fibers and the matrix embedded in these fibers completely consists of recycled (post-industrial) polypropylene. It means that the whole component is made of environmentally-friendly materials and is also 30 % lighter than comparable components.

The criteria for the use of renewable raw materials are defined in an internal policy document. Among other things, it specifies that the cultivation, harvesting and processing of renewable raw materials has to comply with current legislation and all internationally accepted labor and social standards throughout the entire supply chain, particularly in view of protecting human rights (also see the Chapter on [Assuming Responsibility – Sustainable Management, Human Rights](#)). The DRÄXLMAIER Group also rigorously advocates maintaining biodiversity and food safety in countries with a high rate of malnutrition.

Carbon fibers also have high lightweight construction potential and can replace the fiber optics used in plastics while maintaining the same rigidity. In the base substrate of a center console, for example, this reduces the weight by about 11 %. If carbon fibers are made from recycled material, the ecological footprint will be reduced and the CO₂e emissions will decrease by about 15 %.

Electrical Systems – small cause, big effect

Optimizing small parts also contributes to improving the net CO₂e balance. Material and weight reductions were achieved in the vehicle by substituting polyamide with polypropylene in the mounting bracket of the power distributor – the corresponding CO₂e emissions decreased by 85 %.

Interior Systems – Plastic instead of Magnesium

In the future, long glass fiber-reinforced plastic (ABS LGF) will replace the magnesium used up until now in the production of the display composite beam. This can be done by using a new injection molding material that DRÄXLMAIER developed together with a plastics supplier. Reinforcement with glass fibers makes the ABS plastic that is being used almost as strong as magnesium and the component can be made with much less energy consumption. Added to that is the fact that it is 30 % lighter, so all in all, a reduction of 90 % of CO₂e can be attained as opposed to using magnesium pressure die-casting.

The next step will be to apply the new method to make the cockpit cross-beam. This poses a particular challenge, as in this case, the steering column, the center console and the instrument panel are mounted so the component has to meet even higher demands.

Connector Systems – dHPT for more power with less weight

Up to 12 % more power with the same installation space and thus very high current and voltage capability is made possible by the DRÄXLMAIER High Performance Terminal (dHPT). A 10 % reduction of CO₂e was achieved by this increased performance with the same weight.

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E-Mobility Systems – 800 Volt in the Vehicle Wiring Systems – Higher Energy Efficiency in the Porsche Taycan

Our future-oriented product and technology portfolio is aimed at the sustainable design of individual mobility. Like our systems for electromobility, all the systems can be intelligently connected, from the charging system through to batteries and battery management systems and right up to complex vehicle wiring system architecture. We offer our customers extensive ways of increasing the energy efficiency of their vehicles and putting ground-breaking models on the roads.

New standards were set by the Porsche Taycan, for example, which has the world's first 800 V wiring system, which impresses with its significantly higher energy efficiency.

The double voltage level provides almost twice as much power and thermal loss is greatly reduced in comparison with the 400 V wiring system. The high-voltage battery and the switchbox of this fascinating vehicle were developed by the DRÄXLMAIER Group.

Less material by using modern measuring techniques

Less material can be used in the assembly of battery modules by systematically improving the processes. For example, the cell module can be precisely measured to enable the heat-conducting paste to be dosed accurately, thereby resulting in one third less CO₂e compared with the previous method.

Logistics

With regard to climate protection and a reduction of our CO₂e footprint, an important role is played by the transport of our (primary) products. The aim of Logistics is to achieve transport planning that reduces the pressure on resources as far as possible through appropriate management and to stay abreast of both the commercial and ecological aspects. DRÄXLMAIER increasingly relies on using local suppliers in order to keep transport routes as short as possible. Besides that, the capacity utilization of the transport is constantly being improved to reduce the number of trips. Another way of applying sustainable Logistics processes is to use environmentally-friendly transport means and fuels.

We also see potential in using various suitable transport means (Modal Split) to reduce emissions caused by transport. An example of that is the use of combined transport: Transferring containers from trucks to rail can produce favorable effects, especially on busy, CO₂e intensive routes such as the Brenner Pass.

Besides switching from truck to rail, DRÄXLMAIER increasingly relies on environmentally-friendly forms of power for its transport. Since 2020, we have been using vehicles powered by CNG (Compressed Natural Gas) on additional routes in Malaysia and Thailand. Trucks fueled with LNG (Liquefied Natural Gas) are being used on the routes between northern Italy and Bavaria. Compared with diesel power, trucks powered by natural gas produce lower emissions and they are also less noisy. In a new project, Logistics experts are analyzing the worldwide suitability of trucks with electric drive and they are checking corresponding investment opportunities.

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Our carbon footprints present a clear picture: In most of our products, the largest proportion of the carbon footprint lies in the supply chain. Our sustainability performance will therefore be an important criterion for selecting suppliers in the future.

When we calculate the carbon footprint of our products, we collaborate closely with our suppliers to optimize data quality. Our aim is to maintain primary data in accordance with certain specifications and the existing calculation norms of the suppliers. To incorporate comparable values into the calculations, the procedure and the appropriate templates are worked out across the functions.

However, our understanding of sustainability in Purchasing is not only limited to CO₂e emissions, it also includes social aspects, such as working conditions, social standards or respect for human rights.

When first making contact with potential suppliers, they are required to accept our "Sustainability policy for suppliers" to become registered before any further approval steps are taken. The Sustainability policy sets the minimum requirements for business ethics and compliance, for human rights and labor conditions, as well as environment and resource protection. This is combined with the demand to set the same requirements in their own supply chain.

We constantly make sure that our basic principles on economic, ecological and social responsibility comply with applicable law and that they are implemented in accordance with international standards. Our global terms and conditions of purchase also contain provisions on sustainability requirements.

Risk software is used to assess and minimize environmental and human rights supplier risks. It enables all the risks to be outlined and prioritized. Besides using the global risk indicators with the help of this software, we are increasingly asking our suppliers to provide standardized self-declarations on various sustainability topics. They contain questions on environment protection, on the observance of human rights, on the prevention of child and forced labor, on compliance with social demands and on occupational health and safety. There are also questions on aspects of data protection and cyber security, as well as compliance risks. After the answers have been analyzed, the results are directly incorporated into the supplier assessment process. The self-declaration was started with selected, strategically important suppliers. All the answers have shown that the suppliers fully support the sustainability requirements and that they are designing their processes in accordance with the requirements. Over the next few years, we will further expand the role that sustainability aspects play in the award process. An important role is also played by certifications, such as in the fields of environmental certificates, data security or occupational safety. Suppliers who provide the appropriate certificates receive a favorable supplier evaluation.

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Suppliers with acknowledged Sustainability Policies for Suppliers



Suppliers with verified ISO 14001 Environmental Certificates*



* Suppliers from whom the DRÄXLMAIER Group purchases direct or indirect material with a value of more than EUR 10,000 per year.

Raw Materials and Conflict Materials

In the automobile industry, the extraction and processing of the raw materials and products that are used may also be linked to risks for the environment or for human rights. Here, too, we are aware of our responsibility. In order to avoid conflict minerals, like tin, tungsten, tantalum and gold, we apply the "Conflict Minerals Reporting Template (CMRT – questionnaire) and ask our suppliers to track their supply chain all the way to raw material extraction. If uncertified mines in conflict regions are used, we demand that they change their sources of supply.

Over the past few years, we have also participated in numerous programs for supply chain transparency, including those for raw materials, like copper, Kenaf and leather. We are also involved at association level to find mutual solutions for a sustainable supply chain, like the Automotive Industry Dialogue as part of the German government's National Action Plan for Business and Human Rights, the Sustainability in the Supply Chain Working Group of the German Association of the Automotive Industry (VDA), and the Sustainability and Supplier Management Working Group of the German Association of Materials Management, Purchasing and Logistics (BME).

” We want to make an important contribution to climate protection as a company and we feel committed to the goals of the Paris Climate Agreement. Against this backdrop, we are consistently working to generate or buy the energy we need at our sites around the world from renewable resources. “

Jan Reblin, COO, DRÄXLMAIER Group

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Climate and protection of the environment are one of today's greatest challenges. As an internationally operating company, the DRÄXLMAIER Group is affected to varying degrees by climate change and its impact. We can only successfully shape the future of our company and the society in which we live if we manage to overcome the challenges. At the same time, we can see the numerous opportunities they have for our organization. The challenges of climate change act as the driving force behind innovation and new technologies – they will drive the future-oriented development of our company.

The DRÄXLMAIER Group believes that sustainable corporate development, which combines economic growth with ecological goals, is the only feasible way to tackle the future. That is why we have centrally embedded climate and environment protection within the company. We want to set a good example as a company when it comes to making the present and the future more sustainable. In order to carry out this obligation, we launched the Group program "ecosolutions" in 2020, which covers our entire value chain (see also the chapter on [Sustainable Products](#)). We are consistently working on reducing or minimizing the environmental impact of our business activities and our products. Our focus is on the careful use of natural resources, the pursuit of a circular economy concept and consistent reduction of our GHG emissions. We are committed to following the goals of the Paris Agreement on climate and to operate in a climate-neutral manner by 2050 by reducing emissions on an ongoing basis.

On the mutual road to climate neutrality

In 2020, the DRÄXLMAIER Group joined the [Foundation 2°](#). With this commitment, we want to initiate debates and seek dialogue with policy-makers and other stakeholders. The aim is to work out mutual solutions on how the automobile industry can position itself on its way to climate neutrality. We assume responsibility as a family-owned company and as an automobile supplier, we are helping to make individual mobility more climate-friendly as well as complying with both economic and social requirements.

The result is a clear demand placed on each individual in the company: We expect every employee to handle existing resources and raw materials with care and to support the measures for more energy efficiency. Our globally effective [EHS policy \(Environment, Health and Safety\)](#) specifies concrete basic conditions for environment protection.

Our sites are audited according to the internationally recognized ISO 14001 standard. The group certification, which involves the 39 sites, was successfully completed in the year under review and the appropriate matrix certificate was issued. This corresponds to a degree of coverage of 90 % of all the employees at our production plants – it is expected to be 100 % by the end of 2025.

In terms of continual improvement, EHS specialists at all the sites monitor the effectiveness of efficiency measures, for example with the help of a globally standardized energy data management system that involves all our sites. EHS-related key figures are documented every month and then shown as KPI's together with economic performance indicators, such as production or booked minutes. Deviations of +/- 15 % from the KPIs as opposed to the previous month are commented. All the KPIs and EHS aspects are evaluated for efficiency in an annual EHS management review



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undertaken at all the production plants by the plant management. The results are used to create a Group review at the headquarters, from which the Management derives appropriate improvement measures.

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To make our activities in climate protection more transparent, we started compiling a comprehensive annual account of our greenhouse gas emissions (GHG emissions) in 2012. We also compile a Plant Carbon Footprint for our production plants – where a major part of our emissions according to Scope 1 and 2 are generated – which maps the corresponding emissions of each plant. On that basis, we develop a plant emission factor that acts as an indicator for plant-specific performance with regard to GHG emissions, documents the improvement achieved in the course of time and notes the further development of the plant. At the same time, the plant emission factor is used to calculate the product-specific carbon footprint, thus enabling the emissions generated in production to be attributed to individual products. This ensures that plant-specific improvements also affect the carbon footprint of the products that are made there.

To calculate our GHG emissions, we rely on the globally accepted standards of the Greenhouse Gas Protocol (GHG protocol). As a consolidation approach, we chose the operational approach: Our analysis therefore includes all our sites, for which we have full decision-making authority. Only a few smaller non-production sites, whose total contribution to GHG emissions is estimated to be less than 5 %, were excluded. All the greenhouse gases identified according to the Kyoto Protocol are included in the calculation and are thus shown in the CO2 equivalents. The emission factors mainly come from the GaBi software, and also from public databases (DEFRA, ProBas Umweltbundesamt) and – if, for example, supplier information is not available otherwise – from studies.

In the Climate Change Questionnaire, we submit the GHG emissions balance of DRÄXLMAIER every year to the **Carbon Disclosure Project (CDP)**. The independent, non-profit CDP organization requests companies every year to disclose their CO₂e emissions and their strategies for dealing with the climate change. In 2020, we achieved a score of B on a scale of A (Leadership) to D (Disclosure) for the fourth time in a row. In addition, CDP honors companies in terms of their supplier engagement. For this, we were able to achieve an "A score" in 2020.

| CDP Climate Change Score | CDP Supplier Engagement Rating |
|-----------------------------|--------------------------------------|
| | |



Scope 1 comprises direct emissions from combustion at stationary or mobile units at our own sites, for example, the diesel and fuel consumption of our own car fleet and the consumption of gas and heating oil to generate heat.

With a total of 21,487 t of CO₂e, the absolute Scope 1 emissions in the period under review are slightly below last year's level (24,534 t CO₂e). Since 2019, we have been relying on generating our own electricity at our sites, something that we want to continue increasing in the coming years.

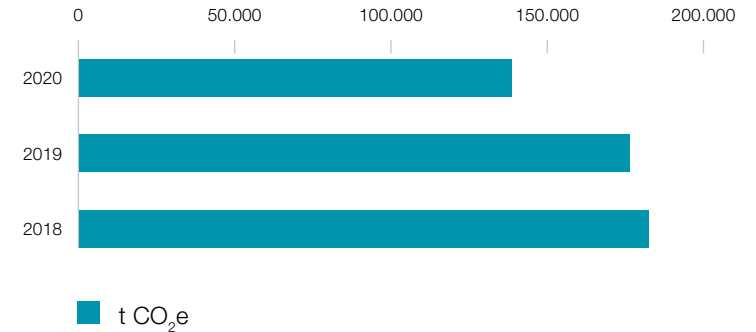
Scope 2 measures indirect emissions that are caused by the purchase of energy. It includes the electricity and district heating that we buy. We calculate our Scope 2 emissions of the electricity we procure in two ways in accordance with the principle of dual reporting as specified in the "GHG Protocol Scope 2 Guidance": On the one hand, we use the location-based method, which indicates emissions resulting from the average emission intensity of the national electricity grids, and on the other hand, we use to the market-based method in which the emission factors are derived from the contractual instruments of the electricity suppliers. If no information specific to suppliers is available, the residual energy mix of the relevant country is used, or, if this is not available either, the appropriate location-based emission factor is used as a substitute.

The absolute location-based Scope 2 emissions were 169,180 t CO₂e in the year under review and then decreased compared with the previous year (183,449 t CO₂e). The market-based Scope 2 emissions at a level of 116,980 t CO₂e decreased compared with the previous year (151,803 t CO₂e).

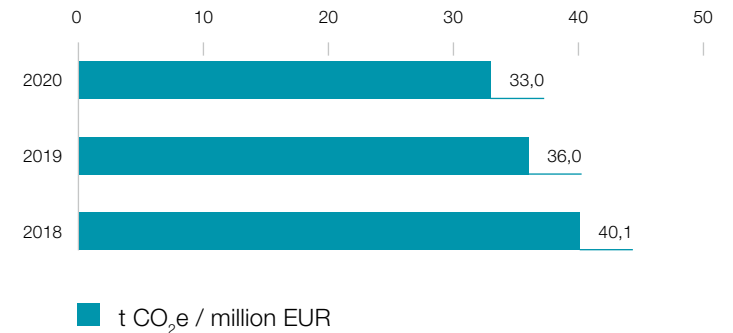
To facilitate the comparison of our GHG emissions over several years, we calculate the so-called intensity ratios. The calculation is made on the basis of our absolute emissions according to Scope 1 and Scope 2 in relation to our revenue.

The GHG emissions intensity ratio for 2020 is 33 t CO₂e / million EUR revenue, compared with 36 t CO₂e / million EUR revenue in the previous year.

GHG emissions
Scope 1 and 2



GHG intensity
Scope 1 and 2 emissions per million EUR revenue





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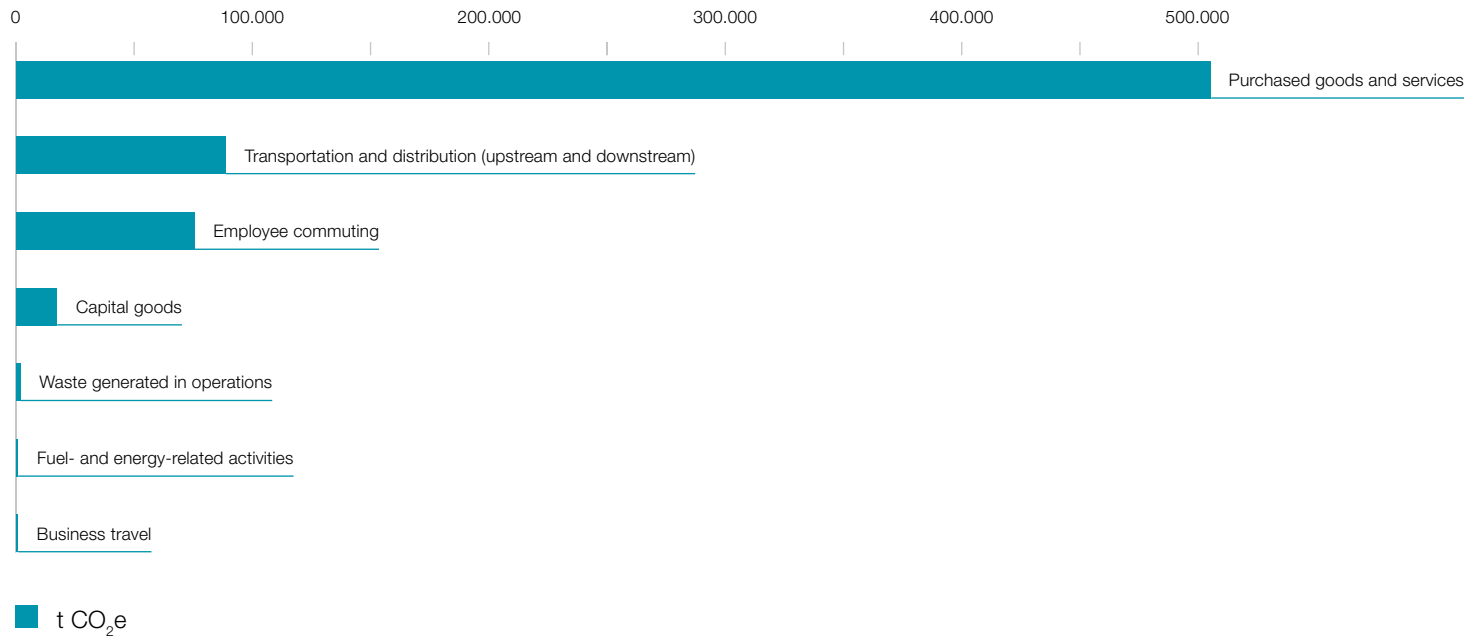
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Our carbon footprint not only includes our own GHG emissions that are generated directly at our sites, but also includes the indirect GHG emissions of the upstream and downstream value chain that are caused by our business operations and our actions. They are accounted for in Scope 3. The categories included in our GHG emissions balance, which are relevant for us, are purchased goods and services, capital goods, transportation and distribution, business travel, the employee commuting and other fuel and energy-based activities, provided that they are not already included in Scope 1 and 2.

The absolute Scope 3 emissions in the year under review are at 688,201 t CO₂e (previous year: 647,902), whereby most of them are caused by the goods we purchase. Due to the nature of our industry and our business model, our Scope 3 emissions are much higher than our Scope 1 and 2 emissions. Because of the high complexity in the calculation of Scope 3 emissions, we continually revise our methods and data acquisition processes. Thus, comparisons with previous year's figures can only be made to a limited extent.

Scope 3 categories





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Sustainably shaping our own mobility

The sustainable mobility strategy of the DRÄXLMAIER is based on three pillars: plant buses, fleet and Global Travel Management. Use of the plant buses is organized with Management Tool and thus contributes to reducing emissions, particularly compared with using one's own car. Other GHG savings can be attained by optimized route planning and by selecting service providers according to ecological and social criteria. That includes, for example, the use of environmentally-friendly vehicles and adhering to the sustainability policy for suppliers in tenders and operations.

Electrification of the DRÄXLMAIER fleet and the associated expansion of the charging infrastructure will enable us to achieve another milestone on the way to greater sustainable mobility. We want to be using plug-in hybrid vehicles and fully electric vehicles by 2025 as far as possible. From 2025 onwards, there will then be an increased focus on electric cars powered solely by green electricity. The photovoltaic system installed at our headquarters in Vilsbiburg will significantly contribute to achieving this goal. Both electric company vehicles and electric cars belonging to employees can obtain particularly environmentally friendly electricity with this system. The new system, which was installed on the roof of the car park, can save around 560 tons of CO₂e per year. The electricity not only flows into the batteries of the parked cars, it is also used for the general operation of the site.

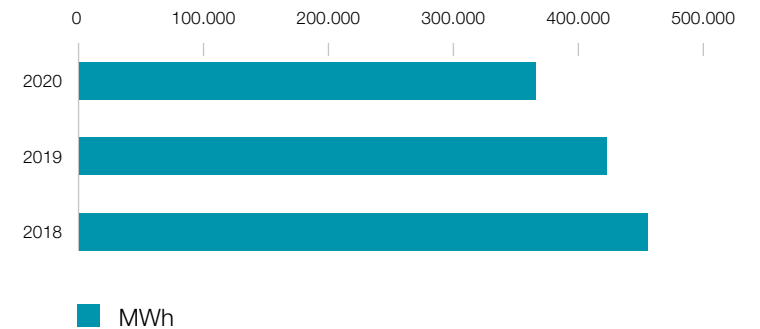
We also organize business trips as efficiently as possible in terms of CO₂e. One of the most important parameters for this is choosing the service providers and optimizing the itineraries. Travel service providers are chosen according to ecological and economic factors. We advocate contract hotels located near our sites, encourage travelling by rail, taking direct flights instead of connecting flights and using rental car providers with modern car fleets that have low CO₂e emissions.

In addition to these three pillars, the focus is also on sufficiency, meaning consistently avoiding business trips and travelling by car. That way, we make a significant contribution to climate protection, e.g., by encouraging people to work from home.

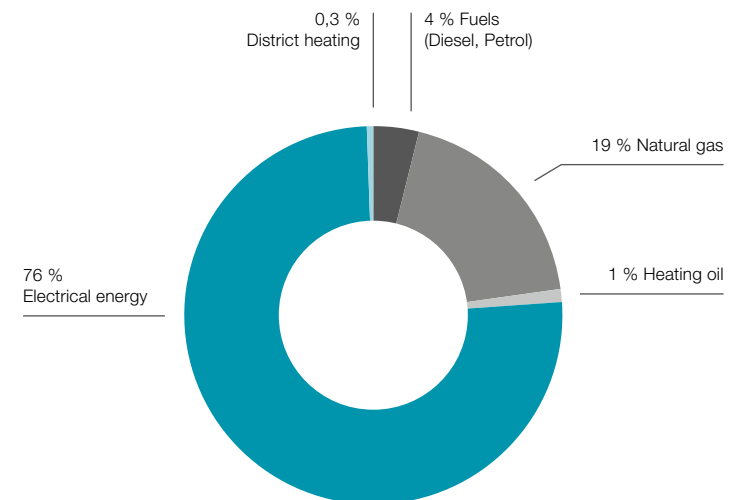
Energy

In 2020, a total of 364,876 MWh (previous year: 421,436) of energy was used by the DRÄXLMAIER Group, primarily in the form of electrical energy, natural gas, heating oil and other fuels. Added to that, district heating is used at one of our sites.

Total energy use of the DRÄXLMAIER Group



Energy use by energy source



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An essential aspect of our activities is consistently increasing energy efficiency. The basis for this is the company-wide measurement and control of energy use. Long-term, continual progress can only be achieved by using a structured approach. For that reason, we have been conducting potential analyses at our energy-intensive sites since 2017. We not only point out short-term improvements, which can be realized quickly, but we also systematically examine complex action fields that have a bearing on, or are relevant to, energy. In this way, we take account of our goal, which is the sustainable orientation of our company.

In order to handle energy as responsibly as possible today, DRÄXLMAIER already uses a wide range of technologies. They range from power-saving LED lighting to modern cogeneration units with trigeneration and efficient cooling technology, solar and geothermal power, right up to photovoltaic systems for the in-house production of electrical energy. We are also continually reducing the energy consumption of our production facilities, for example by using intelligent power-up and shutdown concepts.

Our measures are taking effect: In 2020, we were able to reduce the energy metabolism by more than 900,000kWh by changing to LED lighting at various sites. New sites are now normally equipped with LED. We also managed to save around 350,000 kWh of electrical energy at our Chinese site in Shenyang in 2020 by taking some particularly effective measures. Instead of conventional active capsule cooling through cooling units, cooling in the winter and spring will be provided in the future by fresh air.

We have adopted a clear philosophy regarding the electrical energy supply at our sites and we consistently rely on the use of renewable energies. This is a central element of the sustainability strategy of the DRÄXLMAIER Group – at the same time, it is the most effective lever to achieve our climate goals. To make a positive change in our footprint, top priority is given to the self-generation of electrical energy from renewable sources. In 2020, we generated 4,334 MWh of our own electrical energy. We also openly address the global electricity market. We consistently rely on electrical en-

ergy from renewable sources provided that they fulfill our specified criteria. For that, we concentrate on power purchasing agreements (PPA's) with producers of renewable energies (wind farms, PV fields, etc.).

The amount of energy from renewable sources that DRÄXLMAIER purchases may only be credited to DRÄXLMAIER in the balance sheet and may not be sold to another customer. Part of the proceeds from the procurement of electrical energy must go towards increasing the use of renewable energies. We also attach importance to the independent verification of the information provided by the electricity supplier in the course of certification. We also give preference to suppliers who do not participate in planning and operating coal-fired and nuclear power stations and those who minimize the negative ecological impact of generation facilities.

Besides implementing these specifications in the purchasing processes, we are systematically converting all the plants to renewable energies, and, at the same time, we are promoting the development of renewable energy throughout the world. Transparency is created by the proportion of electrical energy purchased from renewable sources as a control variable, which was 19 % in 2020.

A major success in this field in the year under review was the conversion to certified electrical energy from renewable sources at our site in Poland, which is one of our most energy-intensive plants. As of January 2021, we will be lowering our Scope 2 emissions by about 10 % per year. A written confirmation from the new electricity provider proves that the amount of electricity purchased by the DRÄXLMAIER Group is generated solely by local wind farms and hydro-electric power stations.

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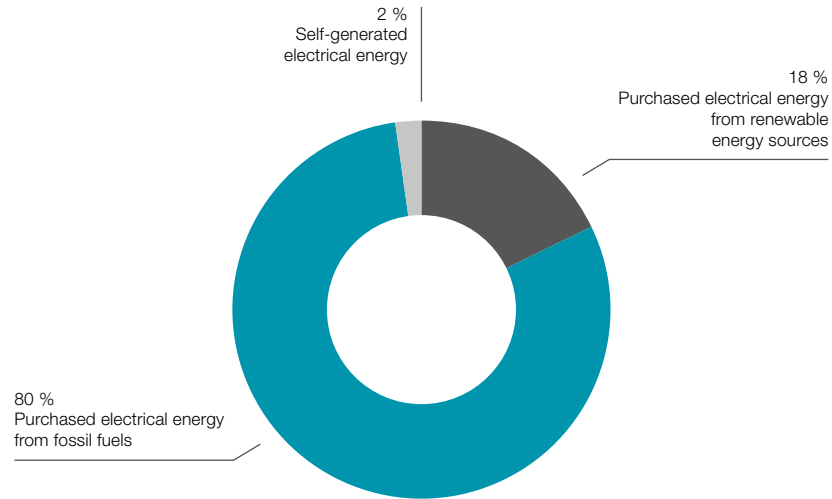
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Composition of the electrical energy used



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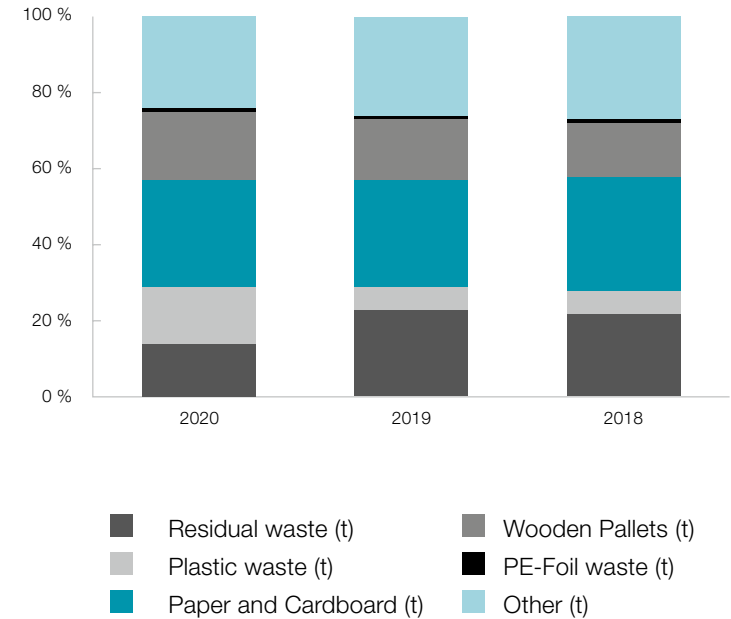
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The amount and type of the waste produced at our sites is an important indicator of our material requirements and of sustainable material use in the organization. Since 2015, we have been using a database to record all the waste produced by DRÄXLMAIER. It is the basis for our worldwide reporting in Waste Management.

By continually evaluating our waste types, we can detect material wastage, analyze the causes and specify appropriate steps for waste avoidance. This is based on the principle of avoidance before use. Besides the use of raw materials, in our opinion, recycling stands for direct reuse of goods. Measures like a company-wide production equipment exchange for the reuse of used assets between all the sites support this approach.

If the avoidance or reuse of waste is technically unfeasible, we consistently try to increase the recycling rate and the recycling capability of our waste. We ask our waste disposal companies to produce verification of recycling and make sure we have sustainable regional partners when we invite new tenders. We therefore give preference to waste disposal companies that can achieve better recycling rates than their competitors. Waste in landfills is avoided as far as possible.

Composition of waste





Container Management – Circular economy concrete

More than 1.4 million containers and 800 different container types are used throughout the world by the DRÄXLMAIER Group. This makes Container Management a complex task and one where we have to consider the whole life cycle of the containers – from the raw material to recycling.

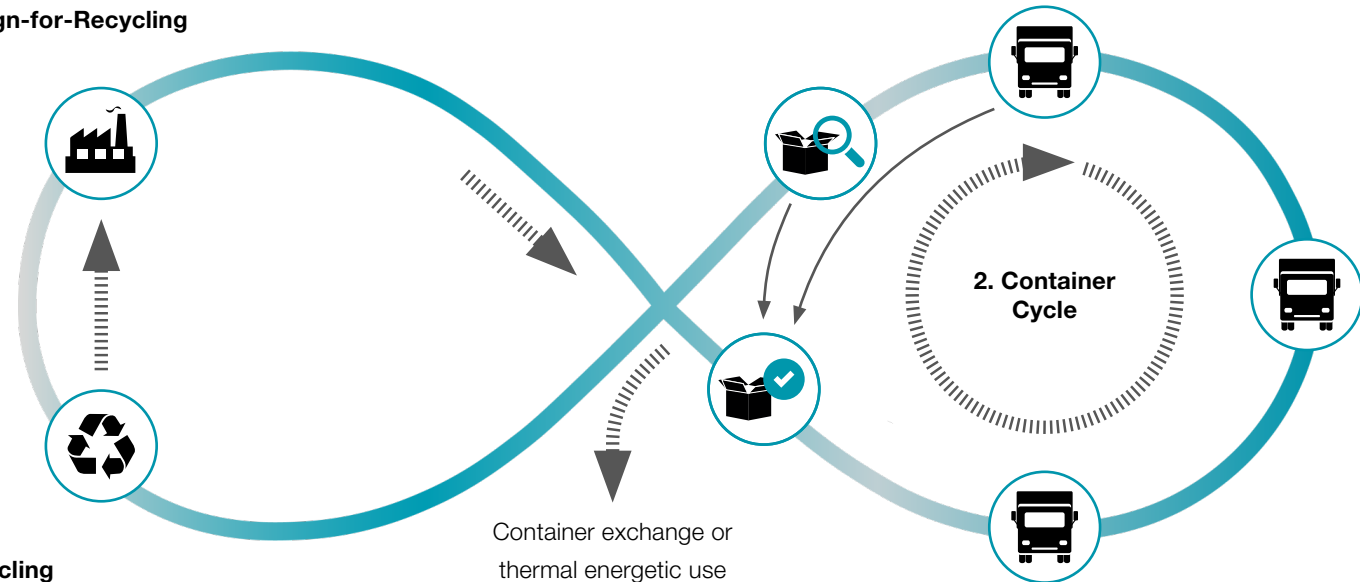
To ensure that the containers we use only impact on the environment as little as possible, DRÄXLMAIER developed the Closed Loop for containers. When the containers are developed, one of the main issues is how to recycle them once they are worn out. The raw materials they contain can be sorted for recycling. The used materials are characterized by their durability, their good recycling capability and a low carbon footprint.

Our container information and control systems enable us to monitor our inventories and stock-in-transit in real time and to proactively manage close to 100 % of the containers. At the same time, the carbon footprint can be accurately mapped right up to the end-of-life of the container. Besides that, the current condition of the container is documented. If a container is damaged, it is repaired if possible – in Germany, this is also done by employees in the Landshuter Werkstätten, which is an organization for disabled people. In that way, we are also fulfilling our social responsibility.

With the help of regular maintenance and service of the repairable containers, their use phase can be extended – they last an average of five years instead of two and a half. We are taking the same path we adopted in Germany in 2015 to avoid waste at our international sites.

Process description container management

1. Design-for-Recycling



3. Recycling

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| 305-1 | Sites | | | | |
| 305-2 | | | | | |
| 305-3 | | | | | |
| 306-1 | Production plants | Number | 50 | 50 | 49 |
| 306-3 | Other sites (e.g., Administration, Logistics, Development, Sales) ¹ | Number | 10 | n. a. | n. a. |
| | Management Systems ² | | | | |
| | ISO 14001 | Number | 39 | 39 | 39 |
| | ISO 45001/OHSAS 18001 | Number | 23 | 23 | 16 |
| | Greenhouse gas emissions ³ | | | | |
| | Scope 1 | t CO ₂ e | 21.487 | 24.534 | 33.455 |
| | Scope 2 (market-based) | t CO ₂ e | 116.980 | 151.803 | 148.951 |
| | Scope 2 (location-based) | t CO ₂ e | 169.180 | 183.449 | 182.648 |
| | Scope 1 + 2 gesamt ⁴ | t CO ₂ e | 138.467 | 176.337 | 182.406 |
| | Scope 3 | t CO ₂ e | 688.202 | 647.902 | 553.531 |
| | Energy sources ³ | | | | |
| | Fuels (Diesel, petrol) | MWh | 14.971 | 19.169 | 21.387 |
| | Natural gas | MWh | 68.050 | 75.807 | 110.610 |
| | Heating oil | MWh | 4.444 | 4.490 | 4.474 |
| | Electrical energy | MWh | 276.368 | 319.055 | 315.274 |
| | District heating | MWh | 1.043 | 2.915 | 2.851 |
| | Total energy use | MWh | 364.876 | 421.436 | 454.596 |

¹ Some smaller sites were excluded (non-production plants), for which the total contribution of GHG emissions is estimated to be less than 5 %

² Related to production plants

³ Related to production plants and other sites

⁴ Scope 2: market-based calculation

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|---|----------------|---------|---------|---------|
| absolute figures | | | | |
| Composition of the used electrical energy ³ | | | | |
| Purchased electrical energy from renewable energy sources | MWh | 50.477 | 41.296 | 51.768 |
| Purchased electrical energy from fossil fuels | MWh | 221.557 | 273.713 | 263.506 |
| Self-generated electrical energy | MWh | 4.334 | 4.046 | 0 |
| Total electrical energy | MWh | 276.368 | 319.055 | 315.274 |
| Waste ² | | | | |
| Hazardous waste | t | 1.317 | 1.868 | 1.890 |
| Non-hazardous waste | t | 28.303 | 34.640 | 32.483 |
| Total waste generation | t | 29.620 | 36.508 | 34.373 |
| Water ² | | | | |
| Total water consumption | m ³ | 583.268 | 715.284 | 667.260 |

¹ Some smaller sites were excluded (non-production plants), for which the total contribution of GHG emissions is estimated to be less than 5 %

² Related to production plants

³ Related to production plants and other sites

⁴ Scope 2: market-based calculation

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|---|---|------------------------------|-------|-------|-------|
| | Sites | | | | |
| | Production plants | Number | 50 | 50 | 49 |
| | Other sites (e.g., Administration, Logistics, Development, Sales) ¹ | Number | 10 | n. a. | n. a. |
| | Management Systems ² | | | | |
| | ISO 14001: Degree of coverage of all employees of the production plants | Percentage | 90 % | 91 % | 95 % |
| | ISO 45001/OHSAS 18001: Degree of coverage of all employees of the production plants | Percentage | 53 % | 56 % | 43 % |
| | Revenue of the DRÄXLMAIER Group | | | | |
| | Annual revenue | m. EUR | 4.200 | 4.900 | 4.551 |
| | GHG emissions Intensity ³ | | | | |
| | Scope 1 + 2 ⁴ | t CO ₂ e / m. EUR | 33 | 36 | 40,1 |
| | Energy sources ³ | | | | |
| | Fuels (diesel, petrol) | MWh/m. EUR | 3,6 | 3,9 | 4,7 |
| | Natural gas | MWh/m. EUR | 16,2 | 15,5 | 24,3 |
| | Heating oil | MWh/m. EUR | 1,1 | 0,9 | 1,0 |
| | Electrical energy | MWh/m. EUR | 65,8 | 65,1 | 69,3 |
| | District heating | MWh/m. EUR | 0,2 | 0,6 | 0,6 |
| | Total energy use | MWh/m. EUR | 86,9 | 86,0 | 99,9 |

¹ Some smaller sites were excluded (non-production plants), for which the total contribution of GHG emissions is estimated to be less than 5 %

² Related to production plants

³ Related to production plants and other sites

⁴ Scope 2: market-based calculation

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| Overview specific figures | Unit | 2020 | 2019 | 2018 |
|---|---------------------|------|------|------|
| Composition of the used electrical energy ³ | | | | |
| Purchased electrical energy from renewable energy sources | MWh/m. EUR | 12,0 | 8,4 | 11,4 |
| Purchased electrical energy from fossil fuels | MWh/m. EUR | 52,8 | 55,9 | 57,9 |
| Self-generated electrical energy | MWh/m. EUR | 1,0 | 0,8 | 0,0 |
| Total electrical energy | MWh/m. EUR | 65,8 | 65,1 | 69,3 |
| Waste ² | | | | |
| Specific (total waste/production minutes) | gr/min | 7,8 | 8,1 | 8,1 |
| Water ² | | | | |
| Specific (total consumption/booked minutes) | m ³ /min | 0,1 | 0,1 | 0,1 |

¹ Some smaller sites were excluded (non-production plants), for which the total contribution of GHG emissions is estimated to be less than 5 %

² Related to production plants

³ Related to production plants and other sites

⁴ Scope 2: market-based calculation

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” Responsibility, trust and tolerance – these values have always marked our actions. They are the basis for the trust placed in our company throughout the world. This trust is, and will remain, the most important factor of our success. We also assume our social responsibility against this backdrop. As an employer, a neighbor and as an active member of society. “

Roland Polte, CHRO, DRÄXLMAIER Group

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Social Responsibility – both Attitude and Commitment

As a family-owned company with more than 60 years of tradition behind us, we consider we have a special responsibility for people who accompany us on our journey as a company – above all, our employees. Their performance and motivation are the engine that drives our success. Their know-how and passion form the basis for innovation and sustainability. We also want to treat our business partners fairly and responsibly, just like the numerous neighbors we have at more than 60 sites all over the world. As a corporate citizen, we participate in different projects, always with the aim of contributing to the sustainable development of society, of which we consider ourselves a part.

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Around 75,000 people of 85 different nationalities work for our organization around the world. We see ourselves as having a special responsibility towards them and as an employer, we offer them an attractive, safe working environment, fair pay and numerous options for their personal and professional development – across all hierarchical levels and at all our sites around the world. In short: We want to be a top employer and to be perceived as such, since we want to easily attract the right talents and know-how, promote them and keep them working in the company for as long as possible.

The market confirms that we are on the right path. In 2020, the DRÄXLMAIER Group received the award as "Top Employer of Engineers Germany" for the 13th time in a row. That puts our company among the group of the most outstanding employers in Germany's automobile industry. In this extensive employer survey, independent experts from accounting firms evaluate the HR processes and strategies of the participating companies on behalf of the Top Employers Institute.

Research meets DRÄXLMAIER

The DRÄXLMAIER Campus is one of the most recent German sites of the DRÄXLMAIER Group. It is situated in the center of the campus of the Technische Universität in Garching near Munich in the new Mitte GALILEO, where young software experts, engineers and designers work on solutions for the car of the future. Together with postgraduates, student trainees and interns, the specialists research promising technologies for the automobile industry.

We are committed to the principles of action in three policies, which apply to the whole organization, and which are marked by the values of responsibility, trust and tolerance. Our [social policy](#) ensures that internationally recognized human rights are respected and exercised in the daily business of the whole DRÄXLMAIER Group. The [corporate behavior policy](#) describes the conduct expected from the managers and employees of the DRÄXLMAIER Group in their daily business, both internally and externally.

Besides the basic principle for environment protection, the [EHS-policy \(Environment, Health, Safety\)](#) specifies the general conditions for occupational health and safety protection in the organization.

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Clear framework conditions for employment

Fair, competitive pay is the basic prerequisite to recruit and retain qualified, motivated employees. Here, too, our actions are determined by fairness and equal opportunity.

DRÄXLMAIER has had globally uniform job-mapping and payment structures since 2015, which are both based on the general conditions of the local markets and are globally comparable and transparent. The basis for that is our worldwide functional structure, which enables an internationally consistent, comparable evaluation to be made of all the positions in the company throughout all the countries, sites, societies and employees. The requirements and responsibilities in each position serve as the sole standard of evaluation.

The functional structure, on the other hand, forms the basis of our remuneration structures. That way, we make sure that remuneration is determined according to qualifications, the requirements of the position and individual performance. And it goes without saying that we always adhere to applicable legally guaranteed remuneration and minimum standards.

Appropriate remuneration is supplemented by additional benefits, such as company pensions, employee discounts or bonuses for many years of loyalty towards the company, depending on the relevant country. As an acknowledgement for the special commitment and service of our employees in the Covid-19 pandemic and to cushion the financial losses incurred by the pandemic, we made special Coronavirus payments to our employees worldwide in 2020.

Retaining qualified employees in the company

To ensure the innovative power and success of the DRÄXLMAIER Group, it is paramount to recruit employees from outside if there is no sufficient internal know-how. At the same time, we need to help today's employees develop in good time so that we can retain them successfully within the company and minimize the risk of fluctuation. In order to be able to react to the specific needs of our employees, we work with a globally available retention toolkit

New employee recruitments 2020

16.143*

* Core employees, incl. extensions, representatives, take-overs
others e.g., company changes

within our global HR network. This tried and tested action catalog consists of successfully implemented best practices for employee retention in various countries, which are applied throughout the company.

Lots of our employees have been with us for many years. The viability of the relationship between employees and the company was confirmed once more in 2020 when we faced the challenges of the pandemic. This solidarity makes us very proud – it shows once again that we are not only a family-owned company, we are a corporate family.

We regularly conduct international employee surveys to assess the satisfaction of employees and to derive both global and local improvement measures from the results. The most recent employee survey was conducted in 2018 and the participation rate was 75 %. Some of the results: 73 % of the employees think DRÄXLMAIER is an attractive employer and 77 % consider they have a secure job. 69 % think that their supervisor acts with respect and trust. Overall satisfaction with the working conditions on a scale of 1 to 5 is 3.61. We want to conduct the next survey in 2021 – this will include a revised concept that takes local characteristics at our sites into greater consideration.

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Employee satisfaction

75%

of our employees participated
in our employee survey

71%

are proud of working for DRÄXLMAIER

73%

of our employees consider
DRÄXLMAIER to be an attractive employer

Prospects

We want to continue increasing our employer attractiveness in the years to come. Currently, we are working on implementing a global hybrid working concept that will provide our employees worldwide with optimal working conditions, both at the office and when working from home. We want to increase the user friendliness of HR services for employees by consistently simplifying, standardizing and digitalizing our processes. Furthermore, we are continually implementing new platforms and technologies in order to enable cooperation in real time, both locally and globally, and to make them more effective and easier to use. In that way, we want to make collaboration easier and, at the same time, improve corporate security.

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404-2 We think in terms of generations, not in quarters and so, as a family-owned company, promoting young people is especially important to us. On the basis of this understanding, DRÄXLMAIER is a pioneer in training young people in many countries around the world. Around 1,000 apprentices at 28 sites in 21 countries are preparing themselves for their future careers. That is how we counter the lack of skilled labor in various regions, give young people a future perspective and, at the same time, guarantee high, globally uniform training standards.

No matter at which of our sites the apprentices work, the same high-quality tools, machines, systems and measuring and testing equipment is being used in DRÄXLMAIER training around the world. Our trainers and coaches are trained according to a train-the-trainer concept in a uniform qualification system that is regularly adapted to new technologies and requirements.

We give our apprentices responsibility at an early stage, enhance their professional experience and offer them long-term perspectives in the company. The measures include, among other things, annual stays abroad within the scope of the "Training Worldwide" incentive program offered by the Federal Ministry for Education and Research (BMBF) as well as excursions to our Romanian sites in Timișoara and Hunedoara, or even certain language courses abroad.

We invest more than the average in our apprentices, as their skills and know-how form the basis for our future. At 1.46 % of the workforce, the training ratio¹ is already at a high level for our industry. We want to continually increase it to 2.0 % over the next three years.

We are proud of being able to offer almost all our apprentices a permanent job. Even in 2020 during the pandemic, 96.6 % of the apprentices were offered permanent jobs; the average rate in the five previous years was 99 %.

¹ proportion of the number of apprentices (at least 1 year's training) per year worldwide comp.to the number of employees worldwide (Headcount)

For many years, the above-average performance of our apprentices has demonstrated how successful our approach is. In Germany, we offer those apprentices who achieved very good IHK qualifications, scholarships for certain fields of study. The participants are often working students at DRÄXLMAIER. Currently, five participants have a scholarship contract.

With our international apprentice program, we are making yet another contribution to the development of young high-potential employees in the DRÄXLMAIER Group. In various modules and foreign assignments, our apprentices learn things like intercultural skills, self-reflection and career planning. Various assignments in different positions in a department promote interdisciplinary thinking and working and enables them to acquire complex knowledge and to set up a broad network in the company within a short space of time.

Key to success: Dual Vocational Education

We are active partners in the acquisition of subsidies, we qualify teachers and trainers locally in the countries and support schools, other companies and public institutions in setting up and organizing training workshops and qualification framework curricula. We pass on our experience and our knowledge proactively, thus promoting the education of young men and women in the whole world because we also see this as an important part of our responsibility as a company.

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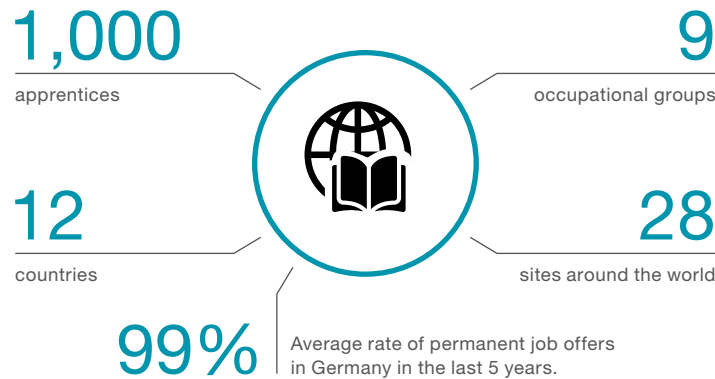
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Apprenticeship at the DRÄXLMAIER Group



Further training

The future of our company lies in the skills of our employees. Based on this conviction, our HR work aims to systematically and specifically enhance the skills of our employees, both professionally and personally and at all hierarchical levels and in all regions. We place a special focus on the future-directed development of executives. We inspire growth and thus create the necessary competences in the company to be optimally prepared for tomorrow's demands.

Against this background, we have established a global performance and learning culture that promotes talents, rewards achievements and offers the employees innovative, individual learning concepts throughout their careers. We evaluate the individual development needs of all the employees on the basis of our competence model and the corresponding technical requirements and make them a comprehensive range of offers for personal and professional development. The list of measures ranges from courses at the DRÄXLMAIER Business Academy with a global standard training program to a diverse range of E-learning, soft skills training and external seminars.

In the so-called specialist technical training courses, we systematically prepare our employees for future challenges by applying specific qualification modules. That enables them to counter increasing automation, networking and mechanization and, at the same time, to create new opportunities.

We also enable all employees to develop their careers on a long-term, individual basis. In order to optimally fill vacant positions and to offer our talents a long-term perspective in the company, we systematically identify, validate and develop our top achievers in our Talent Management. We reward outstanding individual and team achievements in various categories of the "Excellence Awards", which are presented regularly based on our corporate mission statement and values. The Excellence Awards are presented to employees, project teams and sites that have driven innovations, achieved outstanding results and attained above-average quality. At the same time, the awards should be an incentive to everyone to excel and thus to contribute to the success of the DRÄXLMAIER Group.

Prospects

In order to be prepared for future demands, we are currently working on setting up talent networks. As part of our performance and talent management, we create transparency about our top performers and talents in the company by identifying them in a structured way and calibrating them within the management levels. We subsequently promote visibility, self-initiative and networking among our top performers and talents in talent programs. For example, this includes cross-department projects in which they present results at Board level, go to network meetings with people from the Senior Management, as well as participating in focused mentoring and individual development plans.

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For DRÄXLMAIER, diversity stands for cooperation between different individuals, who exchange ideas, influence and learn from each other and pursue their development to achieve mutual goals. We are convinced that the different personalities, competences, mindsets and individual backgrounds of our 75,000 employees in the whole world are the promoters of our innovative capability. That is why we appreciate and promote diversity in our workforce and live a culture that values differences. In doing so, we strive to ensure that every age group and all genders are represented in the company in as balanced a way as possible.

We appreciate every single employee, regardless of his/her ethnic origin, gender, sexual preference, religion, age or ideology.

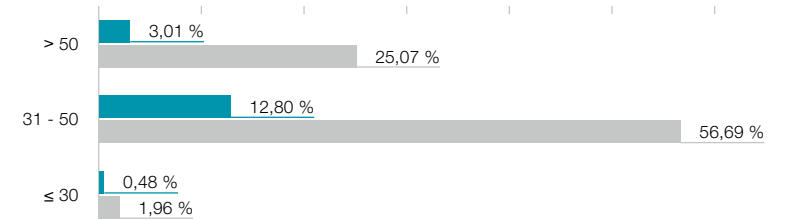
At DRÄXLMAIER, everyone has the same opportunities to take part, develop and give their best performance.

This claim also expressly includes remuneration: We create transparency regarding job comparability and ensure payment in line with the market that is based on the employee's job – regardless of his/her ethnic origin, religion, origin, age, disability or gender. In this way, we achieve an almost balanced ratio in the global comparison of salaries for women and men.

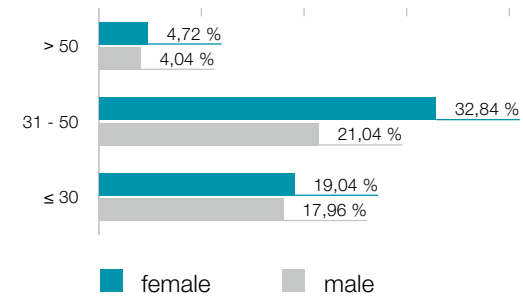


Diversity in employee categories by age and gender, in %*

(Senior) Management



Staff



* without unallocated level (number: 182)

In the area of cultural diversity, we benefit from the large number of different nationalities of our employees. In 2020, employees from 85 nations were working for the DRÄXLMAIER Group in over 20 countries. We appreciate this cultural diversity and promote it by safeguarding, respecting and integrating the needs and cultural differences, in our communication, for example, and in the establishment of measures and offers for employees.

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We create the possibility, both in terms of space and time, for employees to exercise various religious activities, we offer diverse catering for all their needs and ideologies and respect cultural traditions in our corporate activities.

We also make offers to suit our employees' various stages of life in order to ensure optimal compatibility between work and home life. This mainly includes flextime models, modern alternating shift models, mobile working and working from home, fixed teleworking jobs, trust-based working hours in the management area and the possibility of also using company IT equipment for private purposes. If necessary, we allow special leave or create and arrange child-care provisions.

Diversity and equal opportunity start at DRÄXLMAIER as early as during the training stage. Here, too, there are initiatives to promote diversity. In 2016, DRÄXLMAIER started advocating apprenticeships for refugees. Since then, around 20 refugees have complete training at DRÄXLMAIER in all sorts of occupations, for example as IT specialists, warehouse logistics specialists or mechatronic engineers. Young refugees were able to prepare themselves optimally for subsequent training by completing an introductory training program that lasted several months and the majority of them completed it with very good results. Most of the apprentices – about 90 % – were then offered permanent jobs by DRÄXLMAIER.

Last but not least, we advocate motivating young women to choose scientific and technical professions and degree courses. For that purpose, we have Girls' Day, for example, and the Girls' Day Academy in Landau, which is held during school and school holidays.

Central point of contact for all employees

The results of the international employee survey also show that diversity and equal opportunity are a culture that is put into practice at DRÄXLMAIER. The majority of the workforce confirmed that all the employees in the company are treated according to the same principles and rules (scale value 3.6 out of 5).

Anyone who still has cause for complaint can turn to the established complaints mechanism, which can be used by all the employees over the world, and they can use it anonymously if they so wish. A globally effective policy describes the process of handling a complaint, sets the standards and guidelines for each of the countries and also complies with local framework conditions. We regularly inform all the employees worldwide about the complaints process, which we have structured as simply as possible to ensure that it is effective.

Prospects

In 2021, we are launching a global pilot project on "Hybrid working" to respond even more strongly to the demands of work and home life through flexible working conditions and taking particular account of occupational health and safety.

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We want to offer our employees a safe, healthy working environment. In our [EHS policy](#), our commitment is not only to adhere to the applicable laws and norms on occupational health and safety, but also to act responsibly according to our own rules, which often go beyond legal requirements. In doing so, we always base our action on the latest state of technology.

We have our sites audited according to the internationally recognized ISO 45001 standard. In the year under review, the group certification, which involved 23 sites, was completed successfully and the appropriate matrix certificate was granted. This corresponds to a degree of coverage of 53 % of all the employees at our production plants. We want to achieve a degree of coverage of 100 % in the DRÄXLMAIER Group by the end of 2025.

We are convinced that all work accidents and occupational illnesses can basically be avoided. In order to constantly improve ourselves and gradually make the working environment even safer, work accidents at all the DRÄXLMAIER sites worldwide are recorded, analyzed and evaluated. The findings out of the accident investigations are implemented in improvement projects and are rolled out internally throughout the world. Information on work accidents that could happen at other sites are sent for review to all the sites by means of an EHS alert. That enables everyone to learn from the experience of individual sites and to make mutual improvements.

In 2020, we managed to improve the lost time injury rate (LTIR) – it decreased from 0.87 to 0.6 accidents with a lost time rate of one day and more per 200,000 working hours.

We guarantee the provision of in-house medical services at our sites through salaried company physicians on the one hand, and through service contracts for external physicians on the other. Occupational medicine aims to promote, maintain and assist in the health recovery and the ability to work and employability of our employees. Working conditions are assessed in special support programs to detect possible health risks, define and implement possible solutions to minimize risks and examine their effectiveness.

Furthermore, we also offer our employees support in preventive medicine and consistently work on expanding this offer. Flu vaccinations and breast cancer prevention campaigns are regularly conducted at many of our sites.

It is also important to us to protect the health of our employees when they are on business trips. We provide them with information about their destinations. If a destination is in a risk region, we give the relevant employee comprehensive advice. Recommended vaccinations are explained and administered as requested. After the end of the business trip, the employee can attend a trip return briefing.

Focus: Covid-19

The Covid-19 pandemic has been posing challenges for all of us since February 2020. Our activities in occupational health and safety in particular have focused on combating the pandemic and implementing the associated specifications and measures. When the virus began to spread in March 2020, protective measures and specifications were documented in respect of all activities at our sites in a "How to manage COVID-19" manual. This manual was consistently expanded and applied throughout the world. If a site had to go into lockdown, all the activities were checked in a comprehensive checklist before production restarted – from arrival, to entering the premises, conduct on site, right up to all the activities undertaken during the working day. Various measures, including adapting the ventilation systems, helped DRÄXLMAIER to find a good, safe way through the pandemic. The company medical service was also enhanced during the pandemic and established processes were reviewed and optimized.

Since the start of the pandemic, the different situations have been inspected on site by a central crisis unit consisting of representatives from all functions and sites and appropriate measures are being taken. The activities at our Tunisian sites in Sousse were even distinguished by a "Best Practice" certificate awarded by the local authorities.

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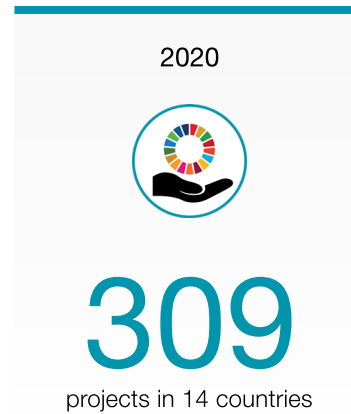
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As a globally operating company, the DRÄXLMAIER Group sees itself as part of society. We want to take an active part in shaping the social environment as a reliable partner and sponsor of culture sports, education and social projects. Promoting youth is important to us in all our activities, because we want to give young talents the opportunity of developing freely and independently.

As a partner to the region, our goal is to achieve the greatest possible benefit for society through our commitment. This commitment is based on clear rules, which we have specified in our Corporate Citizenship Guidelines. They define the group-wide strategic outlines of the DRÄXLMAIER Group with regards to sponsoring and donations. Approval procedures and releases are precisely defined in a process, just like decisions on whether donations are acceptable or if they have to be approved. Appropriate signatory powers are limited to EUR 5,000 per project throughout the Group. Greater amounts must be approved by the Marketing and Communications Manager, who supervises the processing of all sponsoring and donation issues.

We are involved wherever we have sites. Our commitments are as diverse as the regions in which we operate. Here are some examples:



Protecting life: Social responsibility during the Covid-19 pandemic

The social commitment of the DRÄXLMAIER Group in 2020 was dominated by the Covid 19 pandemic: Supporting local educational institutes and medical facilities, minimizing supply shortages and helping to protect lives – the numerous activities at our sites around the world in the past year were geared towards easing the effects of the pandemic. The focus was always on the effectiveness of our aid; at the same time, we also wanted to signal that we see social responsibility as a corporate obligation – not least in times of crises such as this.

D-Shield – Infection control made by DRÄXLMAIER

The D-Shields are an in-house development made by DRÄXLMAIER and are produced at the Braunau site in Austria. A special injection molding tool is used to manufacture them. The result is a very light, CE-certified visor that is resistant to disinfectants and has a support structure made of high-quality plastic and a very transparent, replaceable visor. The D-Shields provide full-face protection against drops and splashes with ventilation slits that reduce fogging. Specially developed by DRÄXLMAIER for effective protection against infection during the Covid-19 pandemic, the properties of the protective visors make them particularly well-suited for intensive use that is required in many areas during the pandemic.

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Serbia: Protective equipment and computers for schools and hospitals

We provided the primary schools at our Serbian site in Zrenjanin with a total of 650 liters of disinfectant to make lessons in the classroom safer for teachers and pupils. We also distributed about one hundred computers among the schools in the surrounding villages to create better conditions for distance learning.

Another 80 computers went to the health center "Dr. Boško Vrebalov" in Zrenjanin with all its associated offices to enable faster collection and processing of important patient data. We also provided the specialized hospital for lung disease "Dr. Vasa Savić" and the "Đorđe Joanović" hospital with computers from our site. Besides that, we provided extensive protective equipment to protect doctors and patients against infection: with about 50,000 protective gloves, 2,000 N95 face masks, 2,000 disposable face masks, a total of protective visors and 30 infusion booths, we contributed to improving patient care in the clinics. In addition, about 10,000 urgently needed medical protective gloves went to the specialized hospital for rehabilitation "Rusanda", in Melenci.

Moldova: Focus on prevention and education

Support for the healthcare and education system was a clear focus of our company's social commitment in 2020 at our Bălți site in Moldova. We helped medical staff at the IMSP Bălți Clinical Hospital and the IMSP Sîngerei District Hospital by providing them with masks and protective visors for their difficult work. We supported the regional universities and vocational schools by supplying them with our D-Shield protective visors, thus contributing to the prevention of infection among the teaching staff and the students and helping to enable classes to continue. We also provided the faculty for natural, economic and environmental sciences at the A. Russo University with projectors to enable in-depth instruction of junior staff with the use of modern technology. Thus, in the words of the university rector Natalia Gașițoi, when she expressed her appreciation, we want to "guarantee the use of modern technologies in

the learning process and with that, the development of skills for a successful career."

Thailand

WE CARE – Employees help the needy in time of the Corona virus

With the motto "WE CARE", employees at our Rayong and Chonburi sites in Thailand participated in an extensive relief campaign for people who were particularly adversely affected by the pandemic. Thus, in July 2020, more than 500 sacks of non-perishable food, such as canned milk, rice or noodles were distributed among the poor in the region to alleviate their most severe suffering and to show our solidarity in difficult times.

Romania: Support for hospitals and children from families facing difficult social circumstances

In Romania, too, DRÄXLMAIER focused on ensuring a fast, unbureaucratic supply of urgently needed protective equipment to hospitals. Clinics at the sites in Pitești, Mioveni and Timișoara were supplied with FFP2 masks, disposable gloves, disposable gowns and the D-Shield protective visors developed by DRÄXLMAIER. A mobile disinfector for ambulances was provided to the ambulance service at the Hunedoara site. At the Satu Mare site, DRÄXLMAIER enabled PCR tests to be carried out efficiently and extensively by providing laboratory material and supported medical care at the Timișoara site with pulse oximeters and monitors for vital checks.

DRÄXLMAIER also focused on development opportunities and welfare of the children. At the Pitești site, for example, we enabled school material to be purchased for children from socially disadvantaged families to enable them to receive an appropriate education.

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USA: The D-Shield as frontline protection in pandemic operations

A leading role was played in the USA by the D-Shield protective visor developed and produced by DRÄXLMAIER to assist schools and medical facilities. The full-face protection was generously supplied to a large number of educational and health institutes as a means of protection against infection. With that, DRÄXLMAIER made an important contribution to relieving the lack of protective equipment that was deployed in many places in the USA – especially for those on the front line caring for the sick and who are therefore particularly exposed to the risk of infection.

"It's a great feeling to support employees who looked after needy people at the frontline with courage, compassion and honesty", said Theresa Zampogna from the Personnel Department at DRÄXLMAIER in the USA. And the Director of the Hope Hospice health institution in California, Jennifer Hansen added: "We appreciate the donation of these protective visors by DRÄXLMAIER so much. As the virus is still widely spread in our region, this donation will help keep our frontline staff safe while they continue to compassionately care for our patients in homes and care facilities."

Bringing joy to children at Christmas – especially in the year of the pandemic in 2020!

Bringing joy to children at Christmas – this is a cherished tradition at some of the DRÄXLMAIER sites, and great effort was made to continue it during the difficult pandemic year of 2020. The Red Cross in Zrenjanin, Serbia received a total of 127 parcels with toys, which were distributed to children from poor families.

We were also active at Christmas at our Romanian site in Codlea, where we helped an orphanage to purchase blankets and hygiene items as part of a charity event. At a similar event at the Timișoara site, DRÄXLMAIER helped provide needy children with clothing and school supplies.

Even under pandemic conditions, dedicated DRÄXLMAIER staff at the American plant in Duncan, South Carolina, continued the long-standing tradition called "Angel Tree", which helps fulfill the Christmas wishes of boys and girls. The initiative, which was launched by the employees at the site, was supported by the Management so that the campaign could be carried out for the children, despite prevailing social restrictions.

This report was compiled on the basis of the GRI-Standards.

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|-------------------------------------|--|-----------------|--|
| GRI 102: General disclosures | | | |
| GRI 102: General Disclosures 2016 | 102-1 Name of the organization | Page 5 | - |
| | 102-2 Activities, brands, products, and services | Pages 5, 15 | Further information at https://www.draexlmaier.com/en/products |
| | 102-3 Location of headquarters | Pages 5, 54 | - |
| | 102-4 Location of operations | - | DRÄXLMAIER operated in 23 countries in the reporting year (previous year: 22). More information at https://www.draexlmaier.com/en/company/draexlmaier-worldwide |
| | 102-5 Ownership and legal form | - | The entire company is a family business owned by the DRÄXLMAIER family. The parent company of the DRÄXLMAIER Group has the legal form of a GmbH & Co. KG. |
| | 102-6 Markets served | Page 5 | - |
| | 102-7 Scale of the organization | Pages 5, 32, 34 | In the reporting year, an average of 76,221 people were employed (previous year: 79,402). The consolidated financial report of the DRÄXLMAIER Group is not published. |
| | 102-8 Information on employees and other workers | Page 42 | - |
| | 102-9 Supply chain | Pages 20, 21 | - |
| | 102-10 Significant changes to the organization and its supply chain | - | There were no significant changes in the organization or supply chain in the reporting year. |
| | 102-11 Precautionary Principle or approach | Page 6 | - |
| | 102-12 External initiatives | Page 23 | e.g. the requirements of the Paris Climate Agreement, UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, ten principles of the UN Global Compact |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|--------------|--|-----------------|---|
| | 102-13 Membership of associations | Pages 9, 21, 23 | e.g. Foundation 2°, German Association of the Automotive Industry (VDA), Automotive sector dialog as part of the National Action Plan for Business and Human Rights, German Association for Materials Management, Purchasing and Logistics (BME) |
| | 102-14 Statement from senior decision-maker | Page 3 | - |
| | 102-16 Values, principles, standards, and norms of behavior | Pages 10, 11 | - |
| | 102-18 Governance structure | Pages 8, 9 | - |
| | 102-40 List of stakeholder groups | Pages 8, 9 | - |
| | 102-41 Collective bargaining agreements | - | DRÄXLMAIER has introduced a global function and remuneration structure for assessing positions in the company. The remuneration structure is local. In Germany, the local pay structure is called D-Tarif (in-house tariff). The D-Tarif was introduced in July 2015. |
| | 102-42 Identifying and selecting stakeholders | Pages 8, 9 | - |
| | 102-43 Approach to stakeholder engagement | Pages 7-9 | - |
| | 102-44 Key topics and concerns raised | Pages 7-9 | - |
| | 102-45 Entities included in the consolidated financial statements | Page 54 | - |
| | 102-46 Defining report content and topic Boundaries | Pages 7, 8 | - |
| | 102-47 List of material topics | Page 7 | - |
| | 102-48 Restatements of information | Page 3 | It is the first publication. |
| | 102-49 Changes in reporting | Page 3 | It is the first publication. |
| | 102-50 Reporting period | Page 54 | 01.01.2020 - 31.01.2020 |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|--------------|--|----------------|--|
| | 102-51 Date of most recent report | Page 3 | It is the first publication. |
| | 102-52 Reporting cycle | Page 3 | Annually |
| | 102-53 Contact point for questions regarding the report | Page 55 | - |
| | 102-54 Claims of reporting in accordance with the GRI-Standards | Pages 48, 54 | - |
| | 102-55 GRI content index | Pages 48-54 | - |
| | 102-56 External assurance | - | No external auditing of the data has been conducted. |

GRI 200: Economic

| Anti-corruption | | | |
|--|---|---------|---|
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Page 13 | - |
| | 103-2 The management approach and its components | Page 13 | - |
| | 103-3 Evaluation of the management approach | Page 13 | - |
| GRI 205 Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | Page 13 | - |
| Anti-competitive Behavior | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Page 13 | - |
| | 103-2 The management approach and its components | Page 13 | - |
| | 103-3 Evaluation of the management approach | Page 13 | - |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|--|---|----------------|--|
| GRI 206 Anti-competitive Behavior 2016 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | - | The DRÄXLMAIER Group does not report on the total number of legal proceedings due to anti-competitive behavior, cartel and monopoly formation and their results, as this information is subject to special confidentiality requirements. |

GRI 300: Environmental**Materials**

| | | | |
|--|---|------------------|---|
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 17, 18, 21 | - |
| | 103-2 The management approach and its components | Pages 17, 18, 21 | - |
| | 103-3 Evaluation of the management approach | Pages 17, 18, 21 | - |
| Self-disclosure | Recycled share of our purchased plastic granulates in the Connector Systems and Interior Systems segments | Page 17 | - |

Energy

| | | | |
|--|---|---------------------|---|
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 23, 24, 28 | - |
| | 103-2 The management approach and its components | Pages 23, 24, 28 | - |
| | 103-3 Evaluation of the management approach | Pages 23, 24, 28 | - |
| GRI 302 Energy 2016 | 302-1 Energy consumption within the organization | Pages 27-29, 32, 33 | - |
| | 302-3 Energy intensity | Pages 34, 35 | - |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|----------------------------------|---|----------------------|---|
| Emissions | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 23, 24 | - |
| | 103-2 The management approach and its components | Pages 23, 24 | - |
| | 103-3 Evaluation of the management approach | Pages 23, 24 | - |
| GRI 305 Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Pages 25, 32 | - |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Pages 25, 32 | - |
| | 305-3 Other indirect (Scope 3) GHG emissions | Pages 26, 32 | - |
| | 305-4 GHG emissions intensity | Pages 25, 34 | - |
| Waste | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 30, 31 | - |
| | 103-2 The management approach and its components | Pages 30, 31 | - |
| | 103-3 Evaluation of the management approach | Pages 30, 31 | - |
| GRI 306 Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Pages 30, 33 | No significant actual or potential waste-related impacts were identified in the reporting year. |
| | 306-2 Management of significant waste-related impacts | Pages 17, 18, 30, 31 | - |
| | 306-3 Waste generated | Pages 30, 33 | - |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|--|--|----------------|--|
| Environmental Compliance | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Page 13 | - |
| | 103-2 The management approach and its components | Page 13 | - |
| | 103-3 Evaluation of the management approach | Page 13 | - |
| GRI 307 Environmental Compliance 2016 | 307-1 Non-compliance with environmental laws and regulations | - | The DRÄXLMAIER Group does not disclose the monetary value of significant fines and the total number of non-monetary penalties for non-compliance with environmental laws and regulations, as this information is not available throughout the Group in the required quality and the effort required to collect this information is not in proportion to the benefit of this information. |
| Supplier Environmental Assessment | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 20, 21 | - |
| | 103-2 The management approach and its components | Pages 20, 21 | - |
| | 103-3 Evaluation of the management approach | Pages 20, 21 | - |
| GRI 308 Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | Page 21 | - |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|---|--|----------------|---|
| GRI 400: Social | | | |
| Employment | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-39 | - |
| | 103-2 The management approach and its components | Pages 37-39 | - |
| | 103-3 Evaluation of the management approach | Pages 37-39 | - |
| Self-disclosure | New employee hires | Page 38 | By gender: Female: 9.287 (58 %) Male: 6.856 (42 %) By age: < 21: 2.778 (17 %) 21-30: 6.510 (40 %) 31-50: 6.431 (40 %) 51-60: 398 (2 %) > 60: 26 (<1 %) By region: Asia/Oceania: 3.766 (23 %) America: 6.708 (42 %) EMEA: 5.669 (35 %) |
| Occupational Health and Safety | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Page 44 | - |
| | 103-2 The management approach and its components | Page 44 | - |
| | 103-3 Evaluation of the management approach | Page 44 | - |
| GRI 403 Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Page 44 | - |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Page 44 | Regular risk assessments are carried out at every plant worldwide in accordance with legal and internal EHS requirements. The hazards are systematically assessed, and measures to minimize them are initiated and implemented. |
| | 403-3 Occupational health services | Page 44 | - |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|-------------------------------------|---|----------------|--|
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Page 44 | Employees at all sites are represented in occupational safety committees that meet several times a year. The organization is the responsibility of the sites. Health and safety issues are regulated throughout the company by the EHS policy. The organizational implementation of the policy is the responsibility of the sites and the legal requirements applicable there. |
| | 403-5 Worker training on occupational health and safety | - | All employees are trained upon recruitment and at least once a year. More frequently depending on the job and/or national requirements. |
| | 403-6 Promotion of worker health | Pages 43-44 | Regular ergonomics assessments are carried out for all workplaces. There is also a Group-wide "better workplace" program to promote employee health. |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Page 11 | - |
| | 403-8 Workers covered by an occupational health and safety management system | Pages 34, 44 | - |
| | 403-9 Work-related injuries | Page 44 | We report the Lost Time Injury Rate (LTIR) as a meaningful and internationally comparable performance indicator. |
| Training and Education | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 40, 41 | - |
| | 103-2 The management approach and its components | Pages 40, 41 | - |
| | 103-3 Evaluation of the management approach | Pages 40, 41 | - |
| GRI 404 Training and Education 2016 | 404-2 Programs for upgrading employee skills and transition assistance programs | Pages 40, 41 | - |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|--|---|------------------|---|
| Diversity and Equal Opportunity | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 42, 43 | - |
| | 103-2 The management approach and its components | Pages 42, 43 | - |
| | 103-3 Evaluation of the management approach | Pages 42, 43 | - |
| GRI 405 Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Page 42 | The information on the governance body is not applicable to the DRÄXLMAIER Group in the reporting year. |
| | 405-2 Ratio of basic salary and remuneration of women to men | - | 100 % corresponds to the average basic salary of men. In addition, the average basic salary of women per region and employee category: Asia/Oceania: Management: 90 % Staff: 104 % America: Management: 104 % Staff: 98 % EMEA: Management: 91,3 % Staff: 99,5 % |
| Non-discrimination | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 12, 42, 43 | - |
| | 103-2 The management approach and its components | Pages 12, 42, 43 | - |
| | 103-3 Evaluation of the management approach | Pages 12, 42, 43 | - |
| GRI 406 Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Page 12 | The DRÄXLMAIER Group was not involved in any court or arbitration proceedings regarding discrimination incidents during the reporting period. Further disclosures are subject to internal confidentiality requirements. |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|---|---|------------------|--|
| Freedom of Association and Collective Bargaining | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 12, 20, 21 | - |
| | 103-2 The management approach and its components | Pages 12, 20, 21 | - |
| | 103-3 Evaluation of the management approach | Pages 12, 20, 21 | - |
| GRI 407 Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Pages 12, 20, 21 | In the reporting year, there was no reason to believe, on the basis of our risk and control processes, that the right to freedom of association and collective bargaining could be threatened at any site or supplier's site. The risk analysis is currently being expanded. |
| Child Labor | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 12, 20, 21 | - |
| | 103-2 The management approach and its components | Pages 12, 20, 21 | - |
| | 103-3 Evaluation of the management approach | Pages 12, 20, 21 | - |
| GRI 408 Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Pages 12, 20, 21 | In the reporting year, based on our risk and control processes, there was no reason to believe that cases of child labor occurred at any site or supplier' site. The risk analysis is currently being expanded. |
| Forced or Compulsory Labor | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 12, 20, 21 | - |
| | 103-2 The management approach and its components | Pages 12, 20, 21 | - |
| | 103-3 Evaluation of the management approach | Pages 12, 20, 21 | - |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|--|---|------------------|---|
| GRI 409 Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Pages 12, 20, 21 | In the reporting year, based on our risk and control processes, there was no reason to believe that incidents of forced or compulsory labor occurred at any site or supplier's site. The risk analysis is currently being expanded. |
| Rights of Indigenous Peoples | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Page 12 | - |
| | 103-2 The management approach and its components | Page 12 | - |
| | 103-3 Evaluation of the management approach | Page 12 | - |
| GRI 411 Rights of Indigenous Peoples 2016 | 411-1 Incidents of violations involving rights of indigenous peoples | - | The DRÄXLMAIER Group was not involved in any legal or arbitration proceedings regarding the violation of indigenous peoples during the reporting period. Further disclosures are subject to internal confidentiality requirements. |
| Human Rights Assessment | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Page 12 | - |
| | 103-2 The management approach and its components | Page 12 | - |
| | 103-3 Evaluation of the management approach | Page 12 | - |
| GRI 412 Human Rights Assessment 2016 | 412-2 Employee training on human rights policies or procedures | - | All our new employees are informed about the Code of Conduct and the corresponding guidelines as part of their onboarding process. We are currently revising and expanding our training program on this topic. |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|--|---|----------------|-----------------------------------|
| Local Communities | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 12, 45 | - |
| | 103-2 The management approach and its components | Pages 12, 45 | - |
| | 103-3 Evaluation of the management approach | Pages 12, 45 | - |
| GRI 413 Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Pages 45-47 | - |
| Supplier Social Assessment | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 20, 21 | - |
| | 103-2 The management approach and its components | Pages 20, 21 | - |
| | 103-3 Evaluation of the management approach | Pages 20, 21 | - |
| GRI 414 Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | Pages 20, 21 | - |
| Socioeconomic Compliance | | | |
| GRI 103 Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Page 13 | - |
| | 103-2 The management approach and its components | Page 13 | - |
| | 103-3 Evaluation of the management approach | Page 13 | - |

| GRI-Standard | Disclosure | Page number(s) | Further information and omissions |
|--|---|----------------|--|
| GRI 419 Socioeconomic Compliance 2016 | 419-1 Non-compliance with laws and regulations in the social and economic area | - | The DRÄXLMAIER Group does not disclose the monetary value of significant fines and the total number of non-monetary penalties for non-compliance with laws and regulations, as this information is not available throughout the Group in the required quality and the effort required to collect this information is not proportionate to the benefit of this information. Other accruals for court costs, litigation costs and legal fees are disclosed in the management report where appropriate. |

About this report

GRI 102-3
102-45
102-50
102-54 This report is designed to provide information on the most important activities of the DRÄXLMAIER Group in the area of sustainability.

This report was compiled based on the GRI-Standards. The consolidated GRI sustainability report standards served as a basis for the 2020 issue.

The contents cover the period from January 1st 2020 to December 31st 2020.

The information refers to the entire DRÄXLMAIER Group. Thus, besides the headquarters in Vilsbiburg, Germany, they also include all the sites and consolidate subsidiaries. The sources of this report include our company-wide IT systems and specific systems and detailed information from the relevant departments or subsidiaries. An external audit of the data was not carried out.

To improve readability, we do not use double-gendered terms. Thus, in the German text, for example, we refer to employees throughout and, of course, mean employees of all genders.

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