



POLICY STATEMENT ON RESPECTING HUMAN RIGHTS AND ENVIRONMENTAL STANDARDS

pursuant to § 6 (2) Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)

STABILUS



A. Introduction/commitment at highest corporate level

The Stabilus Group – i.e., Stabilus SE and its affiliates (collectively “Stabilus”) – does not just aim for technological excellence, innovative force and outstanding quality but also stands up for ethical, fair, honest and sustainable conduct in business as well as in society. As an enterprise operating around the globe, Stabilus is aware of its social responsibility. This is why Stabilus has permanently anchored principles of respect for human beings and the environment in its corporate culture and naturally considers this a part of good corporate governance. Stabilus undertakes to act according to the highest ethical, social and ecological standards and to treat others with respect and dignity. Stabilus expects its business partners to do likewise.

Stabilus is convinced that business activities strictly proceed in full compliance with legal requirements as well as in keeping with ethical, social and ecological values. National legislation, such as the German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz - LkSG*), as well as international standards and conventions, including but not limited to the United Nations Universal Declaration of Human Rights and the Principles of the Global Compact, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Declaration on Fundamental Principles and Rights at Work by the International Labour Conference (ILO) and the United Nations Sustainable Development Goals (SDG), form the basis for Stabilus’ conduct.

In this context, Stabilus leadership supports the full recognition of human rights and the environment not only in the company’s own business sphere but also along its value-creation chain, the better to detect and minimise risks to human rights and the environment and/or to prevent, end and make amends for any violation of due diligence obligations of this kind.

The below policy statement, which complements our own Code of Conduct as well as that for our business partners, was formulated for this purpose.

It has been approved by the Stabilus SE board of management as well as Stabilus GmbH’s executive board.



B. Responsibilities and risk management

In order to fulfil its due diligence obligations under the LkSG, Stabilus has established various processes in its own business sphere as well as in its relationships with suppliers.

The processes are reviewed for effectiveness and improved on an ongoing basis.

1. Responsibilities

The Stabilus SE board of management is responsible for ensuring compliance with due diligence obligations. It has defined specific competencies as part of the compliance management system in order to implement the relevant processes effectively.

To such extent, Stabilus SE also created the position of an officer for issues related to human rights and the environment within the group (Human Rights Officer) to have the appointee monitor Stabilus' risk management.

The due diligence obligations are operationally implemented by the responsible divisions. Purchasing, for instance, is responsible for the selection of suppliers.

It thus falls to the employees involved to live the established processes in their day-to-day practice, so that they may come to fruition.

2. Risk management

Stabilus conducts risks assessments of any product or service purchased along the value-creation chain in annual intervals or as needed. For this purpose, especially risks related to sourcing countries, industries and products are considered as part of the risk analysis.

Risks are identified and assessed in accordance with the requirements of the LkSG, and use is made of both internal and external sources in order to achieve a comprehensive assessment. To such extent, consideration is given to findings from purchasing in particular.

Stabilus will review and continuously adapt its relevant processes as well as any preventive and corrective measure on a regular basis and as needed.

The results are documented on an ongoing basis and summarised in a report to support informed decision-making. In this context, reports from complaint proceedings, if any, are taken into account as well.

a) Own employees/locations

Stabilus expects its employees at all locations to recognize human rights and environmental aspects in their daily work and especially when dealing with suppliers.

Insofar as risks to human rights or the environment have been identified, appropriate preventive measures are initiated, which employees are obligated to support and help to implement.

For this purpose, Stabilus has developed training and educational seminars in order to inform and sensitise employees. In this context, Stabilus expects its employees to be mindful of and implement the contents so conveyed in their daily work. Only in this way can (added) risks along the supply chain be safely identified, prioritised and appropriately taken into account.

Accordingly, all employees undergo an introductory course designed to familiarise them with Stabilus' pertinent guidelines and procedures. All employees must further attend a seminar dedicated to the Code of Conduct.

Periodic seminars on guidelines and the practices characterising sustainable procurement as well as on legal requirements ensure that purchasing, supplier management and sustainability management staff are up to date and qualified.

The process of sensitisation is aided by Stabilus' sustainable procurement policies.

Should violations of obligations related to human rights or the environment be found, Stabilus will see to it that such violations cease. Stabilus expects employees to work toward the termination of violations of this kind together whenever possible.

b) Suppliers/business partners

Stabilus expects its suppliers to recognize human rights and environmental aspects and base their work on these principles. To such extent, it is important to Stabilus that suppliers, too, introduce appropriate processes and improve them in order to effectively counter related risks. This serves as a criterion in Stabilus' selection of suppliers.

Stabilus has transparently anchored such expectations regarding its suppliers and other business partners in a central code, the Business Partner Code of Conduct, which obliges suppliers to apply the principles set forth therein in the course of their business.

The expectations are rendered more specific by the qualification process, which Stabilus has established for its suppliers.

Whenever violations of obligations related to human rights or the environment are identified, appropriate preventive measures are initiated in order to minimise or preclude any related risk in cooperation with the supplier. Should violations of obligations related to human rights or the environment be found within the suppliers' sphere of action, Stabilus expects them to assist with efforts to put a stop to the violations in question. Only in this way can Stabilus continue working with suppliers in a relationship characterised by mutual trust.

To such extent, Stabilus gives consideration to findings gleaned from industry dialogs in addition to those from its own business activities or the complaint mechanism.

In order to identify or prioritise risks and, in particular, to gauge the success of preventive and corrective measures, Stabilus is called upon to conduct adequate controls in coordination with its suppliers.

By virtue of appropriate preventive and, where necessary, corrective measures, Stabilus is in a position to continue developing the cooperation as part of the business relationship. To such extent, its goal is to improve relevant (working/environmental) conditions – as opposed to switching suppliers. Stabilus is specifically interested in long-term partnerships with suppliers. Where violations of the Business Partner Code of Conduct occur, however, they may trigger sanctions all the way to the termination of the contractual relationship, depending on their gravity.

3. Complaint mechanism

Complaints assist with efforts to detect abuses in the company's own business sphere as well as along the supply chain at an early stage, to counter (imminent) violations as well as to minimise possible damages.

Stabilus has set up internal complaint proceedings that allow all persons involved to report risks to as well as violations of human rights and the environment. The complaint mechanism can be accessed by the public under the following link on our home page:

<https://group.stabilus.com/company/compliance-at-stabilus>.

Complaint proceedings are reviewed for effectiveness on an ongoing basis – but at least once annually – and adapted as necessary.

Complaints submitted are examined as part of a reporting and investigation process described in the relevant complaints procedure.

Our suppliers are obligated to create awareness of our complaint system.



C. Priorities related to human rights and environment

As part of the risk analysis conducted by Stabilus to date, the below risks to human rights and the environment could be identified along the value-creation chain; these risks vary by region and product category and are considered a priority by Stabilus given their nature and scope, along with their potential significance to Stabilus, among other factors.

- Freedom of assembly and collective bargaining
- Prohibition of discrimination as well as fair wages and working hours
- Health and safety at work



D. Ongoing process

The efforts undertaken to effectively implement the due diligence obligations are continuously documented. Starting on 1 January 2024, moreover, Stabilus publishes an annual report on its record of fulfilling the due diligence obligations. The report is posted to the website within four months of the end of the business year and made available free of charge for a period of seven years.

The policy statement is updated and refined in annual intervals and as needed. In doing so, we pay particular attention to the results of risk analyses.

Version 1.0	Date: 18 Dec. 2023
-------------	--------------------