

DRÄXLMAIER Group Risk Policy



Risk Policy

Preamble

The corporate goals of the DRÄXLMAIER Group are subject to internal and external influences which undergo changes over time. These changes lead to deviations from the planned, future-oriented strategic and operative goal values. A risk is defined as an undesirable, negative deviation from a goal, while an opportunity is defined as a positive deviation.

Risk management describes the process of identifying, assessing and communicating risks, followed by coordinated and economical use of resources to minimize the likelihood and impact of unwanted events and to maximize opportunities.

The Corporate Risk Management of the DRÄXLMAIER Group is aligned with the strategy map of the DRÄXLMAIER Group and the strategic mission statement.

To ensure the implementation and realization of the risk management system, it is not only part of the integrated management system of the DRÄXLMAIER Group, but is also anchored in the company's process map.

Content

Roles and Responsibilities

The Corporate Risk Management of the DRÄXLMAIER Group is responsible for the group-wide coordination, control and implementation of the risk management system. In addition, it continuously monitors the overall risk situation of the group, is responsible for the continuous improvement of the process and coordinates the periodic and special meetings of the Steering Risk Board as well as the goal-oriented reporting of relevant risks to the various interested parties of the DRÄXLMAIER Group.

The central authority at the headquarters in Vilsbiburg is the Steering Risk Board. It consists of experts from various functional units who validate and approve the entire risk portfolio of the group as derived from the risk inventory.

Within the scope of their responsibilities, each board member is required and mandated to manage and monitor significant risks in line with the group's strategic and operational goals.

The Functional Risk Officer coordinates the identification, assessment and control of risks within their functional unit or department. In addition, as part of the ongoing risk inventory, she or he is responsible for the plausibility check of risks that are part of their respective risk categories.

In coordination with Corporate Risk Management, the Functional Risk Officer is responsible for the continuous monitoring and supervision of the implementation of risk mitigation measures.

The Risk Owner is responsible for implementing and monitoring the risk mitigation measures.

In addition, every employee of the DRÄXLMAIER Group is part of the risk management system and is therefore proactively involved in the early detection of risks.

Internal Audit is responsible for the process-independent monitoring of the adequacy and effectiveness of the risk management system of the DRÄXLMAIER Group.

Risk Management

Identified risks must be assessed in regards to the two dimensions probability of occurrence likelihood and impact.

Newly identified risks or those whose assessment changed over time must be reported to Corporate Risk Management as part of the ongoing risk reporting. In addition, significant risks (for example, any kind of imminent threat to life or health) that are identified between the regular reporting cycles must be reported immediately to Corporate Risk Management ("Ad hoc Risk").

Different strategies are available for mitigating risks. The risk can be eliminated (measures to reduce probability of occurrence / impact to zero), minimized (reduction of likelihood of occurrence / impact), transferred (e.g. insurance) or bear (no active risk mitigation action). In addition, contingency plans can be defined in case of risk occurrence.

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The choice of a risk mitigation measure should be in line with the risk strategy of the DRÄXLMAIER Group. The control and mitigation of operational risks as well as the definition of adequate risk mitigation measures are reflected in the corresponding risk management processes of the respective operating units.

Restrictions

Business transactions within the DRÄXLMAIER Group may only be carried out in accordance with the legal requirements, the corresponding articles of incorporation and by-laws as well as the corresponding internal guidelines and processes.

Risks which endanger the existence of the DRÄXLMAIER Group must be escalated and mitigated immediately.

Risks which exceed a defined threshold in regards to the impact and / or likelihood are analyzed in detail within the Steering Risk Board.

As formulated in the signatory rules and made available by the Legal Department of the DRÄXLMAIER Group in the intranet, a principle of dual control must be followed.

The principle of segregation of duties must be fundamentally observed. Exceptions to this principle must be approved by the Steering Risk Board.

Scope

The contents of this policy apply to all employees of the DRÄXLMAIER Group worldwide. Furthermore, the DRÄXLMAIER Group requires its suppliers to respect and take account of them in their policies.

Further Information

For further information, please contact this mail-address: policy-info@draexlmaier.com

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