

2021

NON-FINANCIAL REPORT

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STATEMENT FROM THE CEO

Dear Readers,

The year 2021 demonstrated how important the subject of sustainability will be for all of us in the years ahead. To give just two examples, we were confronted with a dramatic flood catastrophe not far from our plant in Koblenz, Germany, and with extremely cold winter temperatures in the USA.

Stabilus is determined to enhance its sustainability program, which we launched several years ago as part of our STAR 2025 strategy. Since then, we initiated additional sustainability measures and have increased our sustainability targets in close collaboration with our customers and suppliers. Moreover, within the context of our strategy, we are striving to become a carbon-neutral company by 2030 at the latest.

In each of the previous three fiscal years, we have published a non-financial report aimed at providing our stakeholders with a better understanding of the Company's Corporate Social Responsibility (CSR) strategy for the future. With this goal in mind, I am proud to present our enhanced non-financial report. This report includes information on our newly implemented CSR Steering Committee, the global CO₂ reporting rolled out in fiscal year 2021, and our new reporting on sustainable waste management. Furthermore, we have defined additional KPIs¹ for previously reported items to increase transparency and controlling. The Company's enhanced non-financial report is monitored and reviewed by our Supervisory Board and examined by an independent auditor.

The Management Board is committed to further enhancing the Company's CSR strategy in fiscal 2022, having already defined new tasks such as strengthening diversity and responsibility along our supply chain. We look forward to presenting these new initiatives as part of our non-financial report for fiscal 2022.

As we see it, sustainability is not only important for the future of our planet but provides impetus for innovation and for increasing cooperation between companies along the entire supply chain. I would therefore invite our stakeholders to join us in these efforts, and we would welcome your feedback and suggestions.

Yours sincerely,



DR. MICHAEL BÜCHSNER
Chief Executive Officer



ABOUT THIS REPORT

Stabilus S. A. is a public interest company within the meaning of Article 2, point 1) of the Directive 2013/34/EU. The Stabilus Group, i.e. Stabilus S. A. including its consolidated subsidiaries, exceeds the average number of 500 employees. As such, Stabilus S. A. is obliged by the European Directive and Luxembourg law² to report on non-financial information of the consolidated Stabilus Group. Stabilus decided to provide the required disclosure on environmental, diversity and social matters in this combined separate non-financial report, complementing the annual report.

This is the fourth non-financial report of the Stabilus Group, hereafter referred to as "Stabilus" or "Group". It will be updated on an annual basis following the completion of each Stabilus' fiscal year (October 1 until September 30) and the release of the corresponding annual report³. Information in this report is provided for October 1, 2020 until September 30, 2021 as well as for the previous fiscal year October 1, 2019 until September 30, 2020 for selected Key Performance Indicators (KPIs). This non-financial report is reviewed by the Supervisory Board and approved and signed by the Management Board of Stabilus S. A.⁴.

Compared to the previous non-financial report additional topics were added, such as the new Group-wide Corporate Social Responsibility (CSR) strategy and organization. This report has been guided by the GRI Standards.⁵

Stabilus' process for assessment of its relevant non-financial topics is guided by two principles as required by the Luxembourg Law on Disclosure of Non-financial Information and Information on Diversity: The assessment of material aspects for the organization, its business and performance on the one hand and the impact on the respective aspect by the organization on the other hand.

A structured and detailed materiality analysis was performed in 2018 with the following Stabilus departments included: human resources,

operations, purchasing and compliance to define material topics for Stabilus.⁶ In 2020, as a central body, Stabilus introduced the CSR Steering Committee comprising of the Group's CEO, a second member of the Stabilus S. A. Management Board and the Chief Compliance Officer. The CSR Steering Committee guided the review, further development and final update of the materiality analysis (based on the 2018 one) again involving managers from the relevant internal divisions: human resources, operations, purchasing and compliance. Identified material topics from the 2021 materiality analysis are: Energy and water consumption, occupational safety, employee development, environmental and human rights aspects within the supply chain, anti-corruption and bribery and compliance as presented in the following table. Social matters were not identified as material topics per se but are covered to a large extent in the other matters.

Based on the material aspects identified in the materiality analysis, a review of related non-financial risks was performed. No risks related to Stabilus' business activities, products, services or business relationships

have been identified that are likely to have serious adverse effects on non-financial matters.⁷

Furthermore, Stabilus has identified topics which have no immediate and direct impact on its business and performance but are of high importance for its external stakeholders and internal management and assume higher importance in the mid-term. Stabilus assumes corporate responsibility for these topics and decided to include its measures on waste and emissions in the report.

Diversity information is also disclosed in this report in compliance with the Luxembourg Law on Disclosure of Non-financial Information and Information on Diversity⁸.

In this report, contents which describe the material aspects and are relevant for the non-financial disclosure are marked through the yellow line next to the abstract. The above-mentioned information on diversity is marked similarly. These contents are verified by an independent external party with limited assurance as stated in the assurance statement^{9 10}.

Overview of material topics and relevant topics for Stabilus

		Material topic according to European Directive 2014/95/EU and Luxembourg Law	Important topic for Stabilus
Environment	Energy and water consumption	☑	☑
	Waste		☑
	Emissions		☑
	Environmental aspects in the supply chain	☑	☑
Employee-related and social matters	Development and training	☑	☑
	Occupational safety	☑	☑
	Diversity		☑
Human rights	Human rights in the supply chain	☑	☑
	Conflict minerals	☑	☑
Anti-corruption and bribery	Compliance management and anti-corruption	☑	☑

Stakeholder engagement

Stakeholder identification and selection was carried out during the set up of the first non-financial report resulting in operations, purchasing, human resources and compliance being the essential internal stakeholders.¹²

To implement a global CSR strategy, Stabilus defined a CSR governance structure within the organization. Since 2020, a CSR Steering Committee has been introduced, headed by the CEO and completed by a second member of Stabilus S. A. Management Board and the Chief Compliance Officer. In addition, the CSR strategy was reviewed by the Supervisory Board and is a regular reporting item in the meetings of the Audit Committee, a subcommittee of the Supervisory Board of Stabilus S. A.¹³

At board level, the CSR Steering Committee defines Stabilus' CSR strategy and related work streams on environmental, climate-related, social and governance topics. Implementation and management of the defined CSR strategy and projects are the responsibility of the functional heads of operations, human resources, procurement, compliance and to a certain extent with the local site management.¹⁴

Regular board oversight is ensured through quarterly reporting to and meeting of the CSR Committee on CSR milestone achievements as well as annual CSR strategy meetings and reporting to the Supervisory Board. Internal stakeholders meet for quarterly CSR reporting and alignment as well as additional internal verification and auditing sessions.¹⁵

Internal stakeholders' key topics have been identified. Strengthening of human rights awareness in the supply chain is key topic for purchasing. Operations key concern lies in the measurement and reduction of energy and water consumption as well as occupational safety. Human Resources put their focus on the education of the Stabilus' workforce.¹⁶

The essential external stakeholders are customers and investors. Stabilus regularly sought their input and kept them informed by replying to their

requests and questionnaires.¹⁷ Stabilus has responded to external and internal stakeholder requests by initiating Group-wide CSR reporting. The related KPIs are presented in this non-financial report. Furthermore, a dedicated function was installed to bundle communication and requests of customers and investors for the Stabilus Group.¹⁸

Stabilus reports its CSR initiatives and achievements to external stakeholders in the annual non-financial report and on an ad-hoc basis through corporate and rating agencies' questionnaires.

The information in this report generally refers to the entire Stabilus Group. Information in the Environment, Health and Safety chapters refer only to the Group's production sites, since these sites are the most relevant ones in terms of environmental impact and occupational safety. For additional KPIs introduced in this non-financial report, values for fiscal year 2021 are included, whereas for KPIs already reported, fiscal year 2020 information is also stated.

1 GRI 102-14
 2 The Luxembourg Law on Disclosure of Non-financial Information and Information on Diversity of July 23, 2016, implementing EU Directive 2014/95/EU.
 3 GRI 102-50, GRI 102-51, GRI 102-52
 4 GRI 102-32
 5 GRI 102-54 a
 6 GRI 102-47
 7 GRI 102-15
 8 The Luxembourg Law on Disclosure of Non-financial Information and Information on Diversity of July 23, 2016, implementing EU Directive 2014/95/EU.
 9 See chapter 8 Independent Limited Assurance Report
 10 All KPIs information on FY2021 are included in the assurance scope, FY2020 information as well as comparisons to FY2020 information are not included in the assurance scope.
 11 The Luxembourg Law on Disclosure of Non-financial Information and Information on Diversity of July 23, 2016, implementing EU Directive 2014/95/EU
 12 GRI 102-42
 13 GRI 102-20
 14 GRI 102-26
 15 GRI 102-43
 16 GRI 102-44
 17 GRI 102-44
 18 GRI 102-43

BUSINESS MODEL

Stabilus S. A. is a public limited liability company (Société Anonyme) incorporated in Luxembourg and governed by Luxembourg law¹⁹.

With 20 production sites in eleven countries²¹ and even more sales offices / representations worldwide, it covers the regional markets of EMEA (Europe, Middle East and Africa), Americas (North and South America) and APAC (Asia Pacific). The Stabilus Group now has more than 6,500 employees²² (more than 6,400 employees in fiscal year 2020) worldwide.²³

Its largest operations are the operational headquarters and plant in Koblenz, Germany and its plants in Ramos Arizpe, Mexico, Brasov, Romania, Pinghu and Wujin, China.²⁴

As a leading manufacturer of gas springs and dampers as well as electric tailgate opening and closing systems, the products are used in a wide range of applications in the automotive and industrial sector. Stabilus generated revenue of €937.7 million in fiscal year 2021 (previous year: €822.1 million).²⁶ For full overview of Stabilus group consolidated financial statements and its entities, please refer to the Stabilus Group annual report.^{27 28} Like most manufacturing companies, Stabilus sources production and non-production materials. Stabilus mainly purchases components or semi-manufactured products. Typical raw materials purchased are those contained in semi-manufactured products / components, e.g. steel, copper, resin and rubber.²⁹ Geographically, the most important areas Stabilus source from are Western Europe and North America.

Stabilus' customers are international companies operating in the automotive and industrial sector.³⁰

Shareholder structure

Shareholder structure of Stabilus S. A. is published annually in the Group annual report.^{31 32} According to the voting rights notifications received until September 30, 2021, the following shareholders held more than 5% of total voting rights attached to Stabilus shares: NN Group N. V., Amsterdam, Netherlands (indirect: 2,475,108 voting rights attached to shares or 10.02% of total voting rights), Marathon Asset Management Limited, London, UK (indirect: 1,637,422 voting rights attached to shares or 6.63% of total voting rights), Allianz Global Investors GmbH, Frankfurt am Main, Germany (indirect: 1,291,376 voting rights attached to shares or 5.23% of total voting rights) and Teleios Capital Partners, Zug, Switzerland (indirect: 1,242,713 voting rights attached to shares or 5.03% of total voting rights). Members of the Management and Supervisory Board have a direct interest in Stabilus S. A. of about jointly 0.3% (PY: 0.3%) of the total shares.

Remuneration policy

Stabilus has implemented a remuneration policy³³ and a remuneration report in fiscal year 2019/20 for the Management Board and Supervisory Board, which is published every year.³⁴ The process for determination of remuneration of the Management Board and the Supervisory Board is defined in the corporate remuneration policy as approved by the Annual General Meeting in 2020 with 97.9%³⁵ of votes^{36 37}. Benchmarking was conducted by a specialized agency on the remuneration policy in order to ensure that external stakeholders' views are considered.³⁸ Currently the remuneration is based on economic KPIs whereas environmental and social factors are not considered.³⁹ The remuneration report for fiscal year 2020 is available on the Company's website.⁴⁰ The next Annual General Meeting will take place on February 16, 2022. At that time, the remuneration report for fiscal year 2021 will be published on the Company's website.

19 GRI 102-1, GRI 102-3, GRI 102-5

20 <https://www.stabilus.com/>

21 GRI 102-4

22 Employees including active and non-active employees without leased people, apprentices, interns, graduates

23 GRI 102-7

24 GRI 202-2 d

25 GRI 102-2 a

26 GRI 201-1 a

27 <https://www.stabilus.com/investors/financial-reports-presentations/>

28 GRI 102-45 a

29 GRI 102-9

30 GRI 102-6

31 <https://www.stabilus.com/investors/financial-reports-presentations/>

32 GRI 102-7

33 <https://www.stabilus.com/investors/general-meeting>

34 GRI 102-35 a

35 https://www.stabilus.com/fileadmin/user_upload/09-Investors/Annual_General_Meeting/2020/stabilus_2020_agm_-_voting_results.pdf

36 GRI 102-37 b

37 GRI 102-36 a

38 GRI 102-37 a

39 GRI 102-35 b

40 https://www.stabilus.com/fileadmin/user_upload/09-Investors/Annual_General_Meeting/2021/2021-agm-stabilus-convening-notice-incl-annex.pdf

ENVIRONMENT, HEALTH & SAFETY

As a manufacturing company, Stabilus is aware of its impact on the environment. The most relevant impact defined is on energy and water consumption.

Ensuring employee health and safety by preventing accidents and adverse health effects is a central responsibility of Stabilus as an employer and at the heart of Stabilus' corporate culture. Besides the intrinsic focus the Company puts on Environment, Health and Safety (EHS) matters, it also responds to increasing requirements from stakeholders, e.g. customers and investors.⁴¹

EHS management and global EHS initiative

Responsibility

Corporate responsibility for oversight and steering of environmental and climate-related topics as well as health and safety lies with the CSR Steering Committee and the Management Board of Stabilus S. A. Setting of environmental, health and safety (EHS) targets as well as developing strategies and steering mechanisms at plant or regional level are the responsibility of the Chief Operating Officer.⁴² The operational heads of the regions EMEA, Americas and APAC are responsible for collecting the KPIs on energy, water, health and safety. Reporting of EHS KPIs to the Management Board and CSR Steering Committee is performed quarterly.

The local management of each Stabilus plant and designated Environmental Managers at selected sites implement these KPIs. Global Human Resources (HR) and local HR Management are responsible for successful implementation of preventive employee health measures.^{43 44}

In addition to the above KPIs, KPIs for waste and greenhouse gas emissions (GHG) have also been implemented and are collected and reported by the regional heads.

Global EHS initiative

In fiscal year 2019, the Stabilus Global Operations team rolled out the Global EHS initiative, which aims to further develop and align global processes.

Its three mandates are: reducing pollution as part of the environmental mandate, protecting employee health, safety and welfare as part of its employee safety mandate, and promoting continuous reduction of energy and water requirements during operations as part of its energy efficiency mandate. The mandates touch on the most relevant topics and define goals and responsibilities. All Stabilus production locations worldwide are part of the initiative. Stabilus has an internal tracking system covering energy consumption, greenhouse gases, water, materials and waste. All Stabilus production locations worldwide adhere to this tracking system. Environmental management systems (EMS) have been implemented based on EMAS (Eco-Management and Audit Scheme) and ISO 14001 methodology.

Process

During fiscal year 2019 regular calls were implemented to constantly monitor energy, water, waste and emissions data. In fiscal year 2020, the new KPIs concerning CO₂ emissions and water in 2021 were included. Accordingly, definitions were optimized and approved to support the EHS initiative. In 2021 standard KPIs were defined for all operations and updated on a quarterly basis.⁴⁵

Stabilus' Global Process Technology unit, headed by the Chief Operating Officer, monitors efficiency measures in production processes, including energy and material efficiency improvements. Best practices are shared among the Group companies. Material efficiency and resource optimization were realized through process improvements in powder coating for gas springs as well as flocking process steps for mechanical springs.

Monitoring of EHS measures includes external and internal audits. External audits concerning ISO 14001 and EMAS are regularly performed for re-certifications. In fiscal year 2020, first plant visits as provided for by

the global EHS initiative were performed to control the reported figures. In fiscal year 2021, the plant visits needed to be postponed due to travel restrictions caused by the COVID-19 pandemic. The plant visits will continue in fiscal year 2022.

Certificates

To further optimize the environmental management systems (EMS), ISO 14001 certification was obtained for key plants. The operational headquarters in Koblenz was the first site to receive certification in 1997. Fourteen of Stabilus plants which account for 97% of total production output are currently ISO 14001 certified. Environmental risk assessments are part of these certifications.

The Koblenz plant is also EMAS (Eco-Management and Audit Scheme) certified and publishes a detailed Environmental Declaration⁴⁶. This plant covers 37% of global Group production output.

With the increasing importance of energy efficiency measures, Stabilus Koblenz and Hahn Gasfedern, which account for 40% of global production output, obtained ISO 50001 certification, the international standard for implementing an energy management system⁴⁷. As part of these initiatives, Stabilus will also continuously improve its annual guidelines and processes related to EHS data collection. Stabilus is implementing a software-based global reporting system on EHS data.

Stabilus aims for compliance with all local laws and regulations. Stabilus Group companies did not report any fines or non-monetary sanctions related to any violation of environmental law or infringement of ISO 14001 or ISO 45001 requirements.⁴⁸

Energy

Energy consumption has been identified as the most important environmental impact driver for Stabilus, as it is associated with GHG emissions and fossil fuel depletion. Stabilus' main sources of energy are electricity and, to lesser extent, natural gas⁴⁹. Within Stabilus' direct operations, production processes account for the vast majority of energy consumption. In comparison, logistics as well as other non-production processes play a minor role.

Going forward as part of the EHS initiative, increase in energy usage from renewable sources in Stabilus' operations plays a major role and will form part of the global reporting and target setting process.⁵⁰

Stabilus has set itself an energy reduction target for all global production sites⁵¹. This should be achieved as result of conservation and efficiency initiatives. In fiscal year 2020, the production and energy consumption was impacted by COVID-19 crisis. In fiscal year 2021, production volumes increased, recovering from the crisis so that overall energy consumption also increased but the Company was able to reduce the energy intensity. Stabilus can report that measures aiming at reducing energy consumption are implemented in various contexts from production and auxiliary processes through energy and building infrastructure to offices and data centers, for example the installation of LED lightning, replacement of HVAC (Heating, Ventilation and Air Conditioning) units as well as compressed air leakage detection program.

Total energy consumption (incl. natural gas and electricity) within the organization⁴⁹ in fiscal year 2021 amounted to 156,931 MWh (139,618 MWh in fiscal year 2020), leading to an energy intensity per production unit (across all products⁵²) of 0.92 kWh/pc (0.94 kWh/pc in fiscal year 2020).⁵³

Stabilus' total energy consumption and split into natural gas, electricity over the fiscal years was as follows:

Energy consumption		T_001
	2020	2021
MWh	139,618	156,931
thereof natural gas (MWh)	50,301	56,780
thereof electricity (MWh)	89,318	100,151
Energy intensity (KWh/pc)	0.94	0.92

Water

Water is used in the production process mainly as a coolant and detergent / solvent, e.g. for the washing of parts between manufacturing steps. The availability of sufficient and good-quality water is crucial for operations at many Stabilus sites. Therefore, Stabilus will closely monitor and assess water related risks to develop strategies to mitigate them, if necessary.⁵⁴⁻⁵⁵

Stabilus aims to reduce the water intake per production unit at site level. In fiscal year 2020, the production and water intake was affected by COVID-19 crisis. In fiscal year 2021, production volumes increased recovering from the crisis, so that overall water intake also increased, but the company was able to reduce its water intensity.

The total water intake in fiscal year 2021 amounted to 359,253 m³ (319,020 m³ in fiscal year 2020), leading to a water intensity per production unit (across all products) of 2.11 l/pc (2.14 l/pc in fiscal year 2020).⁵⁶

The total water intake and discharge is as follows:

Water intake		T_002
	2020	2021
Water intake in m ³	319,020	359,253
Water intake intensity (l/pc)	2.14	2.11

The Koblenz site lies within a water protection area and complies with local regulations. Minimum standards for the quality for effluent discharge are set by local regulations that Stabilus complies with.⁵⁷

Progress of local water reduction initiatives are tracked in the quarterly EHS meetings. Actions include the reduction of water consumption of innovative equipment, treatment or reduction of pollutants rejected into water, installation of less water-intensive facilities in washrooms, replacement of tap water in wastewater treatment station, reduction of oil contamination in paint line washer tank.

CO₂ / greenhouse gas (GHG) emissions

GHG emissions contribute to global climate change and Stabilus aims to measure its CO₂ emissions and subsequently reduce its impact on climate change effects.

As part of the EHS initiative, Stabilus set up the reporting on GHG emissions in fiscal year 2021 and aligned measures throughout the Group to evaluate current CO₂ emissions. Measures are guided by the GHG definition of the Environmental Protection Agency (EPA).⁵⁸ Responsibility for the reporting to the CSR Steering Committee lies with the regional operational heads. Evaluation of generated data and setting of goals will be implemented subsequently. Nevertheless, actions are already in place aiming at CO₂ emissions reduction e.g. the shift in the company car fleet to electric vehicles or increased procurement of energy from renewable sources.

Stabilus engages with its customers on climate and environment-related topics on a regular basis. Selected initiatives were set up in fiscal year 2021 to allocate Stabilus' emissions to its products sold to its customers.

Direct Scope 1 CO₂ emissions for the operational sites are total emissions from combustion sources. At Stabilus plants, emissions from combustion sources are natural gas heating emissions.

Indirect Scope 2 CO₂ emissions result from the generation of purchased electricity, heating, cooling, and steam consumed by an organization. Stabilus measures Scope 2 CO₂ emissions based on purchased electricity and resulting emissions at the electricity providers in metric tons.

Total CO₂ emissions amount to 10,277 metric tons in Scope 1⁵⁹ and 35,949 metric tons in Scope 2⁶⁰, leading to an emission intensity ratio for Scope 1 and 2, calculated on the total production units of 0.27 kg/pc⁶¹ for 2021.

Development of GHG emissions cannot be reported for fiscal year 2021 as it is the first year of full assessment and reporting.⁶²

CO₂ Emissions T_003

	2021
CO ₂ Emissions Scope 1 (metric ton) (natural gas)	10,277
CO ₂ Emissions Scope 2 (metric ton) (electricity)	35,949
CO ₂ Emissions Scope 1 & 2 (metric ton)	46,226
CO ₂ Emissions intensity Scope 1 (kg/pc)	0.06
CO ₂ Emissions intensity Scope 2 (kg/pc)	0.21
CO ₂ Emissions intensity Scope 1&2 (kg/pc)	0.27

In order to determine environmental impact from the use of Stabilus' products and to gradually reduce impact, studies on carbon footprint of specific product types are being performed. Currently, a pilot project is in process to evaluate product-specific emissions. In this project, product-specific emissions are calculated based on the bill of materials.

Waste

Waste is generated through the production of products and its packaging. For the automotive OEMs business, returnable containers are the standard packaging method. Stabilus is committed to reduce material which goes

to waste in the production process through efficient production methods and to collect, dispose and recycle its waste adequately. Stabilus is committed to adhere to local environmental laws and aims to reduce negative impact from waste generation, its disposal or treatment from its business processes.

Stabilus measures its hazardous and non-hazardous waste in operational sites. Going forward, further details on recycling of waste, in particular steel scrap, will be provided in the regular reporting.

The operational sites reported 6,480 metric tons of non-hazardous waste and 1,999 metric tons of hazardous waste in fiscal year 2021, leading to a non-hazardous waste intensity ratio (in kg/pc) of 0.038 and an hazardous waste intensity ratio of 0.012 kg/pc.⁶³

Waste T_004

	2021
Non-hazardous waste (metric ton)	6,480
Hazardous waste (metric ton)	1,999
Non-hazardous waste intensity (kg/pc)	0.038
Hazardous waste intensity (kg/pc)	0.012

Health and safety

Health and safety hazards are tied mainly to production activities. Workplaces with a comparatively higher risk profile are related to activities such as metals treatment or painting / coating processes.

With preventive measures such as risk assessments, audits and training, Stabilus aims to foster an active safety culture. This is based on the belief that only with motivated and trained employees, Stabilus can achieve a safe working environment. During the EHS initiative, Stabilus introduced reporting on Health and Safety matters which cover all global production

plants. Reporting includes production and office employees and covers 97% of all employees.

In terms of health & safety management, eleven Stabilus sites are currently ISO 45001 certified, which account for 94% of global production output.⁶⁴

Stabilus has formal written health and safety policies in place as required by ISO 45001 and OHSAS (Occupational Health and Safety Assessment Series) standards and which comply with local laws, covering personal protective equipment, machine safety, emergency preparedness, incident and accident management, workplace ergonomics, handling of chemicals, fire protection.

Responsibility for health and safety lies with the respective plant manager. Employee participation in work safety matters is ensured through regular plant-wide meetings and safety committee meetings.⁶⁵

In order to coordinate health and safety topics on a Group-level, identify work-related hazards and agree on preventive actions, regular inter-plant EHS steering groups were introduced in 2020.⁶⁶ It was realized e.g. that minimum standards for personal protective equipment (PPE) followed the respective local regulations but were not consistent throughout the operational sites. Stabilus aims to improve this, take the best in class approach and set a global standard for protective equipment for all exposed employees, which will be realized in fiscal year 2022.

On average, employees at operational sites received 5.98 hours of training on health and safety topics⁶⁷.

Training hours Health & Safety T_005

	2021
Average hours of training of employees (for Health & Safety)	5.98

The total number of accidents in fiscal year 2021 were 64, leading to an accident frequency rate of 1.08 (0.85 in fiscal year 2020) accidents per 200,000 hours worked^{68 69}.

The lost working day incident rate was implemented as key driver to monitor overall safety in the Group.

Accidents T_006

	2020	2021
Number of accidents	50	64
Accident rate (per 200k hrs worked)		
Lost time injury incident rate (LTIIIR)	0.85	1.08
Lost Workday Incident Rate (LWDI)	12.36	11.67

41 GRI 103-1 a, GRI 103-1 b, GRI 103-2 a, GRI 103-2 c

42 GRI 102-18 b

43 GRI 102-19

44 GRI 103-2 c4

45 GRI 302-1 f

46 <https://www.stabilus.com/company/environment>

47 <https://www.hahn-gasfedern.de/en/download.html>

48 GRI 307-1 b

49 GRI 302-1 c

50 GRI 302-1 b

51 GRI 302-4 a, GRI 302-4 b

52 GRI 302-3 a, GRI 302-3 b, GRI 302-3 c

53 GRI 302-1 a, GRI 302-1 c, GRI 302-1 e

54 GRI 303-1 a

55 Water intake is monitored for the Group manufacturing sites with the exception of New Clevers.

56 GRI 303-3 a,

57 GRI 303-2 a

58 GRI 305-1 g, GRI 305-2 g

59 GRI 305-1 a

60 GRI 305-2 a, GRI 305-2 b

61 GRI 305-4 a, GRI 305-4 b, GRI 305-4 c

62 GRI 305-5 a

63 GRI 306-2 a, GRI 306-2 b

64 GRI 403-1, GRI 403-8 a, GRI 403-7

65 GRI 403-4 a

66 GRI 403-2 a

67 GRI 403-5

68 GRI 403-9

69 This figure is based on the number of hours worked for employees clocking. Accidents are counted if they lead to one day of absence or more.

EMPLOYEE MATTERS

Stabilus' sustainable corporate success is driven by its employees. It is Stabilus' goal to support the development of its employees, to retain employees, keeping in mind the current and future challenges of the labor market and to promote innovations.

Examples of the way Stabilus supports its employees' professional and personal development include training sessions. It also aims for a corporate culture that promotes innovations based, for example, on an idea management system.

Besides adherence to basic legal and ethical norms, offering positive and attractive working conditions is crucial for gaining and retaining qualified employees. Likewise, education and development of employees are a key success factor in an industry depending on constant innovation and operational excellence.

Stabilus' mission is defined by the leading image "One Stabilus": It aims to bring together different backgrounds within the Group, to strengthen diversity in gender and age, promote a common corporate culture across companies, regions and locations, and thereby facilitating identification with Stabilus.

The Global HR function coordinates Group-wide activities and establishes strategies regarding the matters of working conditions, employment, recruiting and employee development. It also drives organizational development in the HR field, and provides central services for the Group.

Via a matrix structure, HR managers at Stabilus' plants report to the respective plant manager, as well as to Global HR. They are in charge of ensuring compliance with local labor laws as well as with Stabilus' global policies and standards.⁷⁰

In order to manage and monitor this mission, defined by the leading image "One Stabilus", further HR processes were installed, resulting in related KPIs which were reported during fiscal year 2021.⁷¹ Reporting of HR-related KPIs is done via a centralized system. Based on the set of data, Stabilus is setting up and evaluating strategies for employer development globally and in the regions. Annual HR summits foster exchange between the worldwide HR staff and contribute to the alignment of global practices.

Global COVID-19 pandemic

As in the previous year, the management of the global COVID-19 pandemic was one of the main challenges for Stabilus in the reporting period. To ensure employee health and safety, support to reduce the impact of the pandemic on Stabilus' employees and keep the operations and logistics intact were the main pillars of its response mechanisms. A global task force was formed in order to coordinate global and local initiatives. These include local measures on employee protection, information campaigns to employees on updated safety measures, launching of vaccination campaigns at Stabilus' sites as well as through support in organizing the vaccination processes. A weekly report is shared among the task force and management to update on current COVID-19 initiatives and its status.

During the COVID-19 pandemic, Stabilus introduced digital software solutions, digital employee communication and initiatives for team building to foster efficient virtual collaboration. Home office was encouraged and introduced for all employees who were able to perform their contractual duties remotely. It covered the majority of white-collar workers in the respective local crisis periods.

Through COVID-19 measures, the schedules for educational programs and seminars were initially paused and then continued in virtual format in the fiscal year, leading to longer training schedules.

Education

Stabilus believes in education and development of its employees. As a formalized process, regular performance and career development reviews are conducted. In fiscal year 2021, a Group-wide performance management system was introduced which covered the management functions in the initial stage and will be rolled to other employee groups subsequently. In fiscal year 2021, 25% of total employees were part of the review process.⁷²

Stabilus provides targeted and continuous training and qualification programs which are offered to all employees. Stabilus is currently implementing a Learning Management System to ensure Group-wide access, standardization, high quality through process optimization as well as monitoring and evaluation of employee education initiatives.

Besides the continuous and targeted qualification programs Stabilus offers to all employees, it has set up dedicated programs in its Stabilus Leadership Map:

The "START up" program supports young leaders and project managers in their first significant leadership role. Due to the global pandemic the program was paused and completed in 2021 virtually. With about 100 participants in Germany since its implementation in 2015 it is an important cornerstone in Stabilus' leadership development. After positive feedback by the participants on what was learnt and the networking opportunities, it will also be rolled out in the other Centers of Operations. It will start in Germany in fall/winter 2021. A first spin off in Korea was implemented enabling Stabilus to expand the program further and roll it out to other countries in the coming years. "STARq", another tailored development program, focuses on qualification of its shift leaders in Koblenz to strengthen and broaden their leadership and management skills.

The “Rising STARS” program for high-potential employees offers a structured approach for the most talented young employees around the globe who aim to become future leaders at Stabilus. The regular program duration is 2 years. The program was suspended in fiscal year 2021 as the fiscal year 2018 participants finished the program in 2021 due to delays caused by the COVID-19 pandemic. Each participant is given a 2-year educational program and a mentor from the Management Board to accompany them. Due to the COVID-19 pandemic, physical meetings have been replaced by virtual training sessions. The program thus also integrates and enhances new ways of virtual collaboration.

Stabilus’ top management potentials are addressed with the program “TOP STARS” which was implemented in 2020. Globally, eight high-performing senior management talents receive three years of training and guidance to be prepared for potential future top management positions in the Stabilus Group.

Innovation culture as part of Stabilus’ corporate culture was in focus during the project “Innovation Race” which started in 2019 and brought about more than 400 ideas. All employees globally could participate in the innovation challenge, bring in and discuss product and process innovations in an open digital dialogue. Ideas with highest potential are being pursued in fiscal year 2021 by the project teams as product innovations in the development phase or are part of feasibility studies.

Working environment

Stabilus’ aim is to create a fair and supportive working environment for its employees. Stabilus is convinced that employees who receive fair compensation, benefits as well as attractive working opportunities and development options are more motivated to help achieve the Company’s goals.

Stabilus adheres to the right of freedom of association and fosters regular exchange with its local employee councils and representatives. 65% of all employees are covered by collective bargaining agreements in the reference year.⁷⁴ The onboarding process covers local labor rights as well as internal rules and regulations, e.g. the Code of Conduct.

Stabilus offers its employees benefits like bonus payments as well as employee benefits specific to the local subsidiaries. On-site doctors with presence at site between 2-5 days per week are available for more than 70% of employees and lunch allowance is granted to more than 75% of global employees.⁷⁵ Depending on the location, this includes subsidized lunch at the in-house canteen or lunch vouchers. Employees on a full and part-time basis are equally eligible to standardized benefits⁷⁶. Options for worktime flexibility like flexitime, working time reduction and workplace flexibility like home office are offered in the local subsidiaries. Looking forward and to prepare for the workspace of the future, a pilot project for creating modern workspace at Stabilus is ongoing in Koblenz Germany.

Diversity

Stabilus acknowledges diversity as a major aspect for retaining employees and creating equality in the society. As further step towards a sustainable and diverse Group, Stabilus decided to introduce the additional KPIs on age and gender as a basis for further development of diversity strategy, targets and measures. The KPIs are discussed in regular meetings of human resources managers and quarterly global reporting is performed via a centralized reporting system. For fiscal year 2022, Group diversity strategy includes the definition of gender targets at the employee management level followed by the implementation of respective measures. The Supervisory Board will introduce a supervisory board member succession plan in fiscal year 2022 which also places a focus on female participation in the corporate governance body.

6,571 people work with the Stabilus Group in 2021, as of September 30, 2021. 6,346 employees are employed on a full-time and 225 on a part-time basis⁷⁷. Stabilus utilizes permanent as well as temporary employment contracts. While the workforce in general enjoys permanent contracts, exceptions, e.g. production peaks, are covered by temporary workers⁷⁸.

In the reporting period, Stabilus employed 4,329 male and 2,242 female employees. Gender split among the full-time employees was 66% male and 34% female and among part-time employees 59% male and 41% female.⁷⁹ The Management Board and Supervisory Board each consist of four men and no women.

Stabilus employs people from various age groups and values experience as well as introduction of new ideas. The employees’ age and gender profile show that the majority of Stabilus’ employees are in age group 30 to 49 years with 50% of workforce, followed by age group 50 years and above with 28% and 22% in age group below 30 years. Age group 50 years and above shows the highest proportion of male employees with 75%, age group 30 to 49 years the highest proportion of female employees with 39%. Among Stabilus governance bodies members, 0% are below 30 years old, 38% from 30 to 49 years and 63% 50 years old and above.⁸⁰

Employees⁸¹ T_007

	2020	2021
No. of employees	6,433	6,571

Gender T_008

	2021
No. of male employees	4,329
No. of female employees	2,242

Employment type T_009

	2021
No. of full-time employees	6,346
thereof male	4,197
thereof female	2,149
No. of part-time employees	225
thereof male	132
thereof female	93

Employees age structure T_010

	2021
No. of employees <30 years	1,451
thereof male	950
thereof female	501
No. of employees 30 – 49 years	3,288
thereof male	2,012
thereof female	1,276
No. of employees ≥ 50 years	1,832
thereof male	1,366
thereof female	466

70 GRI 103-1 a, GRI 103-1 b, GRI 103-2 a, GRI 103-2 c

71 Employee statistics include active and non-active employees without leased people, apprentices, interns, graduates unless this is not stated otherwise.

72 GRI 404-3

73 GRI 404-2

74 GRI 102-41

75 Calculation considers all active and non-active employees including leased people, apprentices, interns, graduates.

76 GRI 401-2 a

77 GRI 102-8 c

78 GRI 102-8 a

79 GRI 102-8 c

80 GRI 405-1 a, GRI 405-1 b

81 GRI 102-7 a

SUSTAINABILITY IN PROCUREMENT

In today's global economy with its increased international division of labor, the supply chain plays a key role in accurately determining and improving a company's sustainability performance. Especially since the Company procures semi-manufactured products, Stabilus' success is deeply connected to a reliable and sustainable supply chain.

Stabilus aims to have a CO₂ neutral supply chain by 2030. Enhanced regional sourcing and thus reducing the need for transport is a target Stabilus will focus on to reduce its environmental impact.

Social standards and human rights in Stabilus' operations and its business partners activities form the basis for business relationships. Environmental impacts such as energy and resource consumption occur throughout the supply chain and depend on the nature of goods sourced and processes used.

Stabilus has implemented a process to collect supplier data and information on its supply chain on a quarterly basis. This data will be used for management decisions and future target setting. Appropriate measures on social and environmental standards are defined. Implementation by Stabilus' global and regional procurement team to ensure its conformity along the supply chain is ongoing.⁸²

Stabilus' strategic procurement function is responsible for steering and coordinating procurement and supply chain management across the Group whereas the implementation is followed by the regional Heads of Procurement.

Operational decisions, for instance regarding awarding of individual contracts, are made by the Sourcing Committee which comprises of

representatives from various functions, including logistics, research and development (R&D), controlling, and others. During the supplier onboarding process environmental certifications such as ISO 14001 are asked for and form part of the supplier evaluation.

Social and environmental standards

The key document, summarizing Stabilus' expectations towards suppliers and other business partners, is the Stabilus Business Partner Code⁸³. It builds upon its own Code of Conduct and contains detailed requirements in several areas, including:

- Working conditions, e.g. to respect the right of free association and equal pay for men and women
- Human rights, e.g. eliminating child labor, forced labor, and discrimination
- Fair business practices, e.g. to observe principles of fair competition and prevent corruption, and to ensure data privacy
- Environment, e.g. to improve environmental and resource protection within the Company's own operations and within the entire value chain
- Health and safety, e.g. to observe all applicable laws and actively promote safe working environments

Social and human rights criteria play a crucial role in the selection of suppliers. Through signing of Stabilus' Business Partner Code of Conduct, its suppliers confirm compliance with defined social standards⁸⁴. For Stabilus to enter into a business partnership with a new serial supplier, it is necessary that the Business Partner Code of Conduct is signed. Therefore, Stabilus is committed to have all its serial suppliers to confirm the Business Partner Code of Conduct. For fiscal year 2021, 43% of serial suppliers signed the Business Partner Code of Conduct⁸⁵.

Violations of the Business Partner Code, depending on the severity of the violation, can lead to sanctions including the immediate termination of the supplier relationship.

Serial suppliers signing Business Partner Code of Conduct T_011

	2021
% of serial suppliers signing the Business Partner Code of Conduct	43%

Stabilus' Business Partner Code of Conduct also lays out the requirements on quality and social standards which the suppliers confirm to comply with to be selected as serial supplier. These include the Universal Declaration of Human Rights of the United Nations as well as the basic principles of the International Labor Organization.

Stabilus has finalized and implemented an internal sourcing policy which defines its principles for assessing and managing the supply chain sustainability topics. In fiscal year 2021, Stabilus buyers and supplier developers received training on sustainable procurement policies and practices including human rights in the supply chain. Globally 44 out of total 49 targeted employees were trained.

All potential suppliers undergo a prequalification process in which a basic risk assessment regarding financial and sustainability issues is carried out. New serial suppliers must complete a self-assessment questionnaire that includes questions regarding their existing environmental and quality management and respective certifications. Requesting a valid ISO 14001 certification is part of this evaluation. Stabilus' serial suppliers are regularly and automatically checked for renewal of their certifications.

During the feasibility studies, confirmation of compliance with legal and customer-specific requirements e.g. REACH is requested by Stabilus from its suppliers.

Stabilus performs regular onsite audits of serial suppliers that cover quality and technical topics. In doing so, environmental, health and safety topics as well as working conditions are considered. On-site audits had to be postponed in the fiscal year due to travel and contact restrictions in the COVID-19 pandemic and will be resumed once restrictions allow.

During fiscal year 2021, 39% of serial suppliers were assessed for environmental impact and 22% of serial suppliers provided a valid environmental certification.⁸⁶ During this assessment, no serious findings regarding negative environmental impacts were detected.⁸⁷ Additionally, in the third quarter of fiscal year 2021 the analysis on serial suppliers with external audits on working conditions and human rights (e.g. ISO 45001) was introduced to the reporting and as of now, 4% of serial suppliers provided valid certification.⁸⁸

Regional procurement

Stabilus has the “in the region for the region” approach. This is also reflected in the purchasing strategy. Regional sourcing improves CO₂ footprint by reduction in transport along the supply chain and increases reliability of supplies and just-in-time deliveries. Furthermore, by developing a regional supplier base, Stabilus reduces its currency conversion risk. With gradual expansion of dual or multiple sourcing strategy, supplier flexibility can be ensured and therefore risk of supplier failure is reduced.

For regional procurement, emphasis is given to the regional procurement with suppliers for the serial production. In contrast to said serial suppliers, intercompany supplies and non-serial suppliers are not included in the disclosure. Non-serial suppliers, which include but are not limited to craftsman, facility management, office equipment or energy and water providers, are more likely to have a local background. However, they are very diverse which makes them difficult to evaluate.

In light of the above, the purchasing department of Stabilus has decided to set a target of local procurement regarding the serial suppliers at minimum 60% of the procurement budget. Supplies are defined as being local if the goods delivered remain in the same region.

The three regions in the Stabilus Group are:

- EMEA
- Americas
- APAC⁸⁹

The level of regionalization was reported by each production entity of the Stabilus Group and consolidated by the central purchasing department. The figures for 2021 are 86% for EMEA, 62% for Americas and 84% for APAC.

Regional suppliers ⁹⁰		T_012
		2021
% of procurement budget spent on regional suppliers EMEA	86%	
% of procurement budget spent on regional suppliers Americas	62%	
% of procurement budget spent on regional suppliers APAC	84%	

Conflict minerals

An area receiving special stakeholder attention is conflict minerals, i.e. metals such as tin, tungsten, tantalum and gold, that are extracted in conflicted and unstable regions around the world and tied to exploitative practices like forced labor and severe human rights violations. Several of the Group’s customers have requested that Stabilus reports the source and origin of the products procured containing these materials. The requests are mainly based on the Dodd-Frank Act that requires companies listed on the US stock exchange to disclose information on the use of conflict minerals in their own supply chain. Stabilus provides a conflict minerals report as per SEC requirements (US) to requesting customers.

Group responsibility for conflict minerals is bundled in R&D in close cooperation with strategic procurement.

Conflict Minerals Reporting Template / Responsible Minerals Initiative

The recent activities of Stabilus include the use of the Conflict Minerals Reporting Template (CMRT) created by the Responsible Minerals Initiative RMI⁹¹: Stabilus requires its direct suppliers, who run the risk of sourcing conflict minerals, to fill out this standardized report to trace the minerals back through the complete supply chain. Information is then provided to Stabilus customers who request it via several platforms.

Whistleblower System for suppliers

Since fiscal year 2019, the Stabilus Whistleblower System⁹² is also accessible for suppliers. Stabilus communicates the new tool as the latest updates were implemented. No third party reported any incident via the Whistleblower System in the reporting period.

82 GRI 103-1 a, GRI 103-1 b, GRI 103-2 a, GRI 103-2 c

83 <https://www.stabilus.com/company/compliance/code-of-conduct/>

84 GRI 414-1, GRI 414-2

85 GRI 102-16

86 GRI 308-2 a

87 GRI 308-2 b, GRI 308-2 c

88 GRI 414-2

89 GRI 204-1 b

90 GRI 204-1 a

91 <https://www.responsiblemineralsinitiative.org/>

92 <https://stabilus.whistleblownetwork.net/frontpage>

COMPLIANCE / ANTI-CORRUPTION AND BRIBERY

Conducting business in compliance with the applicable laws and rules is the foundation of all Stabilus' worldwide activities. These obligations apply to its internal processes but also to all relationships with external stakeholders such as customers, suppliers, investors and public authorities.

The Stabilus Compliance system is based on its key document the Stabilus Code of Conduct. The Stabilus Code of Conduct defines the internal rules by reflecting legal requirements and ethical values and so giving the framework for Stabilus to act lawfully and responsible in its daily work. It applies to all business activities within the Stabilus Group, internally as well as when interacting with external parties. All relevant new employees must read and sign the Code of Conduct⁹³. The Code of Conduct covers particularly the following areas⁹⁴:

- Competition law
- Anti-corruption
- Anti-fraud
- Export controls
- Deciding on business partners
- Money laundering
- Leadership principles
- Conflict of interest
- Confidentiality
- Human rights
- Health and safety
- Environmental protection
- Product safety and quality

Furthermore, Stabilus values and business ethics are described in the Stabilus corporate value statement⁹⁵. As a safeguard against compliance issues, Stabilus introduced a Group-wide compliance management.⁹⁶ Responsibility lies with the Stabilus Chief Compliance Officer who reports to the CEO and to the Supervisory Board.

Conflict of interest on the highest governance body is avoided by utilizing processes, e.g. the dual-control principle, as well as dedicated IT tools. The Company's Supervisory Board consists of 4 members and reviews and supervises actions of the Management Board in accordance with the applicable law and the Articles of Association.⁹⁷ The Group's corporate data including information on the Management Board and the members of the Supervisory Board is available via the homepage.⁹⁸

As a globally operating company Stabilus has assessed its operations and identified existing compliance risks, e.g. corruption risks that may lead to fines, uninformed business decisions, or damage reputation. Country-specific corruption risks have been identified, whereas business related corruption risks were less significant due to customer size and structure.⁹⁹

Actions regarding prevention of corruption and bribery include training sessions, audits of control procedures (e.g. accounting, purchasing, etc.), specific approval procedure for sensitive transactions (e.g. gifts, travel).¹⁰⁰

Internal audit/risk assessment concerning business ethics issues on all operational sites is planned for 2022/23. On-site audits have been postponed due to the global COVID-19 pandemic.

With the goal of strengthening the worldwide compliance organization, Stabilus has rolled out a global training program for employees.¹⁰¹ Key to the training success throughout the Stabilus Group is to center the information around the employee. During the workshop, the staff and management is informed about laws and regulations, internal rules, as well as ethical behavior. Since fiscal year 2019, more

than 1,300 employees¹⁰² have been trained¹⁰³. Due to COVID-19 several workshops were postponed in fiscal year 2021. The content of the workshops covered:

- Ethical behavior
- Anti-bribery and corruption
- Competition law
- Anti-fraud
- Conflict of interest

Stabilus employees are encouraged to report compliance violations to their superiors, the Chief Compliance Officer or the respective HR manager. In addition, an electronic reporting portal¹⁰⁴ was implemented during fiscal year 2018. It provides a secure system for employees and business partners to report incidents or concerns to the Chief Compliance Officer. These reports can be sent anonymously.¹⁰⁵

A formal Group-wide process for incidents and claims has also been established. The issues received are part of regular reporting to the Stabilus Managing Board and the Supervisory Board. In case of an incident, the Chief Compliance Officer investigates and recommends corrective actions accordingly.

Compliance cases

T_013

	2020	2021
No. of reports	12	10
No. of cases with further investigation	3	5

In fiscal year 2021, ten potential compliance violations were reported via the Whistleblower System. No compliance cases were reported from external sources. While most of them have been closed without further findings, five are currently further investigated. No legal cases regarding anti-competitive behavior in this fiscal year were reported.¹⁰⁶

Values / UN Global Compact

Stabilus promotes fair labor conditions within the Group and at its business partners. Its values are set out in the corporate values statement¹⁰⁷ and the Code of Conduct¹⁰⁸.

Stabilus is a member of the UN Global Compact and adheres to its principles. Principle 6 covers non-discrimination in access to employment, promotions and to training, and in terms and conditions of the employment, such as recruitment, remuneration, hours of work and rest, and job assignments.

Stabilus is committed to adhere to the principles of the International Labor Organization ILO¹⁰⁹. Forced labor is defined by the International Labor Organization as all involuntary work or service exacted under the threat of a penalty¹¹⁰.

As grievance system with regards to child labor and all forms of forced or compulsory labor, the use of the Whistleblower System¹¹¹ is encouraged.

For Stabilus, social responsibility also means commitment to community causes at its global sites, in particular for projects in the areas of science, education, and culture, as well as for social and humanitarian causes.

Anti-discrimination

Stabilus prohibits and will not tolerate discrimination on the grounds of personal characteristics e.g. age, disability, ethnic origin, family status, race, religion, gender, sexual orientation or social origin.

Training sessions were conducted, relating particularly, but not limited to anti-harassment. Stabilus does not tolerate harassment, discrimination or abusive behavior. The Compliance Department investigated two reported harassment cases and worked out corrective actions and countermeasures together with the local Human Resources department.¹¹²

Freedom of association

Stabilus supports rights of freedom of association and collective bargaining. Stabilus is an active member of the UN Global Compact and adheres to local laws, and having workers councils in several entities.

No controversies relating to freedom of association have been reported during the reporting period.¹¹³

Information security

Stabilus is in the process of obtaining an ISO 27001 and TISAX certification. Due to the current travel restrictions caused by COVID-19 the finalization of the project is scheduled for end of 2022. Nevertheless, cyber security awareness training sessions focusing on IT fraud prevention and relevant key function updates have been distributed throughout the Group.

In addition, specific IT measures were performed, including but not limited to penetration tests. Stabilus conducted awareness training sessions to prevent information security breaches globally and implemented records retention schedules. Employees and managers are encouraged to report any suspicious process either via the IT helpdesk system or through the whistleblower system.

Luxembourg, December 09, 2021



Dr. Michael Büchsner



Mark Wilhelms



Andreas Schröder



Andreas Sievers

Management Board

93 GRI 102-16 3.1.3
 94 https://www.stabilus.com/fileadmin/user_upload/02-Company/stabilus_170718-Stabilus-Code-of-conduct-komprimiert.pdf
 95 <https://www.stabilus.com/company/stabilus-values/>
 96 GRI 102-17
 97 GRI 102-25
 98 <https://www.stabilus.com/investors/corporate-governance/supervisory-board>
 99 GRI 205-1
 100 https://www.stabilus.com/fileadmin/user_upload/02-Company/stabilus_170718-Stabilus-Code-of-conduct-komprimiert.pdf
 101 GRI 102-17 a
 102 GRI 102-16
 103 GRI 205-2 b, GRI 205-2 e
 104 <https://stabilus.whistleblownetwork.net/frontpage>
 105 GRI 102-17 b
 106 GRI 206-1
 107 <https://www.stabilus.com/company/stabilus-values/>
 108 <https://www.stabilus.com/company/compliance/code-of-conduct/>
 109 <https://www.stabilus.com/company/compliance/code-of-conduct/>
 110 ILO Forced Labour Convention of 1930
 111 GRI 408-1 c, GRI 409-1 b
 112 GRI 406-1
 113 GRI 407-1 a

INDEPENDENT LIMITED ASSURANCE REPORT

To the Management Board of
Stabilus S. A.
2, rue Albert Borschette
L-1246 Luxembourg

Independent Limited Assurance Report to Stabilus S.A. on the consolidated statement on non-financial information in the form of a combined separate non-financial report covering the requirements set forth in article 1730-1 of the law of 10 August 1915 on commercial companies, as subsequently amended, for the year ended 30 September 2021

We were engaged by the Management Board of Stabilus S.A. (“the Company”) to report on Stabilus S.A.’s consolidated statement on non-financial information in the form of a combined separate non-financial report covering the requirements set forth in article 1730-1 of the law of 10 August 1915 on commercial companies, as subsequently amended, for the year ended 30 September 2021 (“the Report”), in the form of an independent limited assurance conclusion that, based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report has not been prepared, in all material respects, in accordance with the requirements set forth in article 1730-1 of the law of 10 August 1915, on commercial companies, as subsequently amended.

Management’s Responsibilities

The Management Board is responsible for the preparation and presentation of the Report, and the information and assertions contained within

it, in accordance with article 1730-1 of the law of 10 August 1915 on commercial companies, as subsequently amended.

This responsibility includes the determination of the Company’s objectives in respect of non- financial information, performance and reporting, including the identification of stakeholders and material issues; for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived; and the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual non-financial information disclosures which are reasonable in the circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

Our Responsibilities

Our responsibility is to perform a limited assurance engagement on the Report for the year ended 30 September 2021 prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information” published by the International Auditing and Assurance Standards Board as adopted for Luxembourg by the Institut des Réviseurs d’Entreprises.

This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Report of the entity has not been prepared, in all material respects, in accordance with article 1730-1 of the law of 10 August 1915 on commercial companies, as subsequently amended. We do not, however, provide a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering

procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor’s own judgement.

Scope of work

A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence to give assurance over the matters identified for our report. The procedures selected depend on our judgment, the suitable criteria as defined below including our assessment of the risk of material misstatement in the Report, whether due to fraud or error.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Within the scope of our engagement, we performed amongst others the following procedures:

- Inquiries of personnel who are responsible for the materiality analysis to get an understanding of the process for identifying material topics and respective report boundaries for the Company
- A risk analysis, including a media research, to identify relevant information on the Company’s sustainability performance in the reporting period
- Evaluation of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, respect for human rights, and combating corruption and bribery, including data consolidation at corporate and site level
- Inquiries of personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, the

- conduction of internal controls and consolidation of the disclosures
- Assessment of local data collection and reporting processes and reliability of reported data via a sampling survey at Stabilus, S. A. de C. V. Mexico
 - Evaluation of selected internal and external documents
 - Analytical evaluation of data and trends of quantitative disclosures which are reported by all sites on group level.
 - Assessment of the overall presentation of the disclosures in the consolidated non-financial statement in the form of a combined separate non-financial report

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

As part of this engagement, we have not performed any procedures by way of audit or verification of the underlying records or other sources from which the Report was extracted by the Management Board.

Determination of suitable criteria

As a basis of the assurance engagement, we have used the criteria as set out in article 1730-1 of the law of 10 August 1915 on commercial companies, as subsequently amended.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report for the year ended 30 September 2021 has not been prepared, in all material respects, in accordance with article 1730-1 of the law of 10 August 1915 on commercial companies, as subsequently amended.

Luxembourg, 9 December 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Philippe Meyer

INFORMATION RESOURCES

Further information including news, reports and publications can be found in the Investors section of our website at www.ir.stabilus.com.

Investor Relations

Phone: +352 286 770 21
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Email: investors@stabilus.com

Forward-looking statements

This non-financial report contains forward-looking statements that relate to the current plans, objectives, forecasts and estimates of the management of Stabilus S. A. These statements take into account only information that was available up and including the date that this non-financial report was prepared. The management of Stabilus S. A. makes no guarantee that these forward-looking statements will prove to be right. The future development of Stabilus S. A. and its subsidiaries and the results that are actually achieved are subject to a variety of risks and uncertainties which could cause actual events or results to differ significantly from those reflected in the forward-looking statements. Many of these factors are beyond the control

of Stabilus S. A. and its subsidiaries and therefore cannot be precisely predicted. Such factors include, but are not limited to, changes in economic conditions and the competitive situation, changes in the law, interest rate or exchange rate fluctuations, legal disputes and investigations, and the availability of funds. These and other risks and uncertainties are set forth in the combined management report. However, other factors could also have an adverse effect on our business performance and results. Stabilus S. A. neither intends to nor assumes any separate obligation to update forward-looking statements or to change these to reflect events or developments that occur after the publication of this non-financial report.