



## DECLARATION OF PRINCIPLES



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## PREFACE RECARO MANAGEMENT

The executive management of the RECARO Group is committed to the interests of the group, its customers, and its employees. Responsibility including adherence to the law, integrity, team spirit, excellence, entrepreneurship, and enthusiasm are values that the RECARO Group and all its employees align with. The RECARO Group is aware of its social responsibility as a company and acts accordingly.

Our preventive measures focus on integrating a comprehensive human rights strategy, including transparent procurement strategies and continuous training for our employees. The selection of suppliers is carried out with consideration of human rights and environmental expectations.

Upon identifying human rights violations, we immediately take remedial actions based on the implementation of processes to end or minimize such violations. The RECARO Group is committed to actively fulfilling its responsibility as a globally operating company. The effectiveness of our measures is regularly reviewed in order to respond appropriately to changing risk situations.

Compliance with the law is a matter of course for the RECARO Group. Violations of the law are not tolerated.

Violations of the law, and in particular human rights risks, human rights violations, breaches of environmental duties, economic crimes, and other illegal business practices are highly damaging to the affected parties, the RECARO Group, and society at large.

We encourage the use of the RECARO Group whistleblowing system, which can help to prevent risks and misconduct, detect them early, stop them, and avert damage.

Our self-commitments and due diligence processes are transparently set out in the "LkSG Report" to provide insight into our efforts. Our commitment to sustainable business practices is reflected in every facet of our actions.





## COMMITMENT TO RESPECTING ENVIRONMENTAL AND HUMAN RIGHTS

The RECARO Group commits to the strict adherence to the International Bill of Human Rights of the United Nations, which means the adherence to the Universal Declaration of Human Rights, as well as the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights that define civil, political, and social rights afforded to all human beings, and to upholding the following principles in order to minimize human rights and environmental risks:

### **No Child Labor:**

The RECARO Group expressly prohibits the employment of children below the legally established age at which compulsory education ends according to the law of the place of employment, provided that the employment age should not be less than 15 years. An exception to this is only accepted if it is in accordance with international standards, particularly Article 2 (4) as well as Articles 4 to 8 of the Convention No. 138 of the International Labor Organization.

### **Worst Forms of Child Labor:**

The RECARO Group condemns all forms of child labor for children under the age of 18 in accordance with Article 3 of the International Labor Organization's Convention No. 182, particularly all forms of slavery, debt bondage, forced or compulsory labor, prostitution, pornography production, illicit activities, and any work that is harmful to the health, safety, or morals of children.

### **Prohibition of Forced Labor:**

The RECARO Group prohibits the employment of individuals in any form of forced labor, including debt bondage or human trafficking, in accordance with relevant international agreements.

### **Prohibition of Slavery and Slave-like Practices:**

The RECARO Group prohibits all forms of slavery, servile-like practices, serfdom, or any other mode of domination or suppression in the work environment.

### **Occupational Health and Safety:**

The RECARO Group commits to complying with all occupational health and safety regulations, including adequate safety standards, protective measures against harmful influences, actions to prevent excessive physical and mental fatigue, as well as appropriate training and instruction for employees.

### **Freedom of Association:**

The RECARO Group respects the freedom of association, which includes the right of workers to form and join trade unions, to establish and maintain a membership without discrimination, as well as the right to strike and engage in collective bargaining.

### **No Unequal Treatment:**

The RECARO Group prohibits any form of discrimination in employment based on nationality and ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion, or world views.

**Fair Wages:**

The RECARO Group guarantees an appropriate wage that at least corresponds to the legally established minimum wage and otherwise complies with the laws of the place of employment.

**Environmental Protection:**

The RECARO Group commits to protecting the environment and avoiding harmful effects on natural resources, particularly by complying with all relevant environmental protection laws.

**Land Rights and Forced Eviction:**

The RECARO Group rejects any form of illegal forced eviction or deprivation of land, forests, and water resources and respects the land rights of affected communities.

**Security Forces:**

The RECARO Group does not use private or public security forces to protect corporate projects if doing so could lead to human rights violations, particularly torture, physical injury or limitations on the freedom of assembly and association.

This policy statement forms the foundation of the corporate policy of the RECARO Group and is actively enforced to ensure that all business activities are in line with the highest ethical standards.

The RECARO Group commits to the proactive management of environmental risks and obliges itself to adhere to the following principles to prevent potential violations of environmental laws and international agreements:

**Mercury-containing Products:**

The RECARO Group strictly forbids the manufacturing of products containing mercury in accordance with the provisions of the Minamata Convention of October 10, 2013.

**Prohibition of Mercury in Manufacturing Processes:**

The RECARO Group abstains from the use of mercury and mercury compounds in manufacturing processes, as stipulated in the Minamata Convention.

**Management of Mercury Waste:**

The RECARO Group commits to the proper handling of mercury waste according to the provisions of the Minamata Convention.

**Prohibition of Persistent Organic Pollutants (POPs):**

The RECARO Group prohibits the production and use of chemicals in accordance with the regulations of the Stockholm Convention on Persistent Organic Pollutants ("POPs Convention"), as most recently established by Regulation (EU) 2019/1021 of the European Parliament and of the Council.

**Environmentally Sound Waste Management:**

The RECARO Group commits to avoid non-environmentally sound collection, storage, and disposal of waste, in line with the provisions of the POPs Convention.

**Prohibition of the Export of Hazardous Wastes:**

The RECARO Group respects the bans on the export of hazardous wastes in accordance with the Basel Convention and Regulation (EC) No. 1013/2006 of the European Union, especially to countries that have prohibited the import of such wastes or where environmentally sound treatment cannot be guaranteed.

**Prohibition of the Export of Wastes Listed in Annex VII of the Basel Convention:**

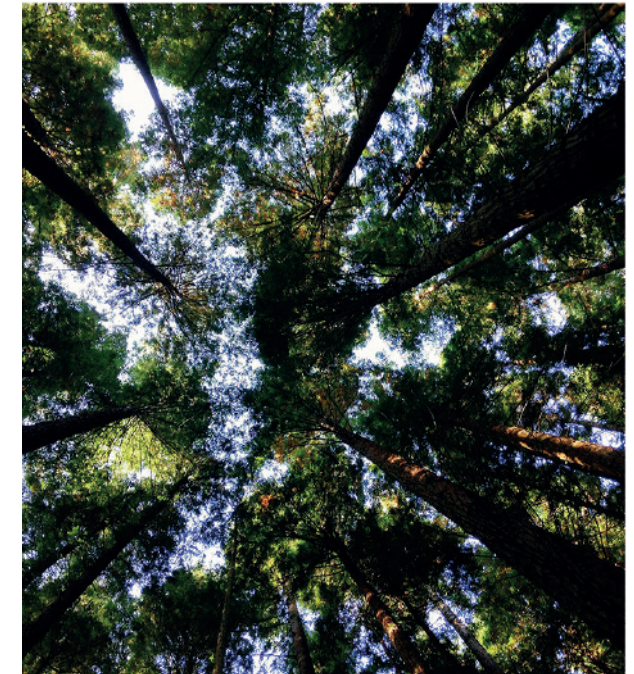
The RECARO Group complies with the ban on the export of hazardous wastes from countries listed in Annex VII of the Basel Convention to countries not listed in this Annex.

**Prohibition of the Import of Wastes from Non-Parties:**

The RECARO Group respects the prohibition on the import of hazardous and other wastes from non-party countries to the Basel Convention.

The RECARO Group will regularly review its environmental management practices to ensure that all activities are in line with the highest environmental standards and that its commitments to risk reduction are fulfilled.

The RECARO Group expects its business partners to also commit to respecting human rights and complying with environmental obligations, to commit to maintaining appropriate due diligence processes and to convey these expectations to their own suppliers.





## RISK MANAGEMENT

The RECARO Group aims for effective, integrated risk management that focuses on the identification, assessment, and minimization of human rights and environmental risks within the RECARO Group supply chain. This commitment is based on the requirements of the Supply Chain Due Diligence Act (LkSG) and is a part of the fundamental operations of the RECARO Group.

The RECARO Group endeavors to carry out a risk analysis that assists RECARO in identifying and assessing potential human rights and environmental risks in its own business area and with the immediate suppliers of the RECARO Group. This analysis is conducted at least once a year and additionally when material changes in the risk situation occur. The findings from this analysis are communicated internally to the relevant decision-makers and form the basis for strategic alignment towards risk mitigation.

As soon as human rights and environmental risks are identified, the RECARO Group implements preventive measures that are anchored both in the RECARO Group's own business operations and with the immediate suppliers of the RECARO Group. This comprehensive approach includes the integration of the measures outlined in the RECARO Group's human rights strategy into the business operations, conducting training, risk-based audits, and introducing appropriate sourcing strategies.

The RECARO Group is aware that despite all efforts, breaches of human rights or environmental obligations may occur. In such cases, the RECARO Group promptly takes appropriate remedial actions to prevent, stop, or minimize such breaches. Should breaches occur with the immediate suppliers of the RECARO Group that cannot be ceased by the RECARO Group in a foreseeable time, the RECARO Group immediately develops a concept to cease or minimize these breaches and implements it according to a defined schedule.

The RECARO Group is conscious of its responsibility in the supply chain and committed to effective risk management, aiming to ensure compliance with human rights and environmental protection.

For the monitoring of risk management, the RECARO Group appoints Dr. Andreas Kadletz as the Human Rights Officer.

## PREVENTIVE MEASURES & REMEDIAL ACTIONS

The RECARO Group sees itself as a sustainably and responsibly operating company that aims to protect and promote human rights at all levels of its business practices.

### Preventive Measures

The RECARO Group's preventive measures focus on the integration and implementation of a comprehensive human rights strategy. This involves the development and implementation of appropriate procurement strategies that are based on both transparency and adherence to human rights.

The RECARO Group also places importance on educating its employees about human rights and various compliance standards. Through regular training and further education, the RECARO Group aims to improve and promote awareness and knowledge of human rights and environmental obligations.

When selecting immediate suppliers, the RECARO Group takes into account human rights and environmental expectations and commits the immediate suppliers to appropriately address these along the supply chain.

For risk minimization and subsequent identification of potential human rights violations, the RECARO Group conducts regular and thorough controls in accordance with the RECARO Group's internal and external obligations

### Remedial Actions

Should human rights violations or breaches of environmental obligations be identified within RECARO Group's own operations or with an immediate supplier, RECARO will promptly undertake appropriate remedial actions. At the core of these measures is the implementation of processes and procedures to end or minimize the violations.

The RECARO Group commits to working with relevant stakeholders, including those directly affected, to ensure effective resolution of the situation. If ending or minimizing human rights violations or breaches of environmental duties is not possible in the short term, or if the violation is severe and RECARO Group has no lesser means available, RECARO Group reserves the right to temporarily suspend or terminate business relations with the concerned partner.

The RECARO Group strives to fulfill its responsibility as a globally operating company and to actively promote compliance with and the strengthening of human rights and environmental duties.

The RECARO Group will review the effectiveness of the prevention and remedial measures annually and on an ad-hoc basis when the RECARO Group must anticipate a significantly changed or expanded risk situation in its own operations or with immediate suppliers.



## COMPLAINT MECHANISM

The stance towards rule violations and misconduct is of the utmost importance for the RECARO Group. The RECARO Group condemns any breaches of rules, as the regulations and guidelines of the RECARO Group serve to ensure the safety of the RECARO Group's employees and are part of the Code of Conduct, which constitutes an integral part of the RECARO Group's corporate culture.

To ensure that all instances of misconduct are reported, the RECARO Group offers a comprehensive grievance mechanism. The RECARO Group provides numerous internal and external reporting channels. The goal of the RECARO Group is to create a safe space where employees, executives, and suppliers of the RECARO Group, among others, can express their

concerns regarding potential breaches of due diligence or laws.

If individuals, whether employed by the RECARO Group or not, have a reasonable suspicion that a violation of due diligence, breaches of Whistleblower Protection Act, or violations of ICAO Annex 19 have been committed, or are likely to be committed, by an employee or an executive of the RECARO Group or by an immediate or indirect supplier, they are encouraged to report such indications through the RECARO Group's electronic whistleblowing system. The RECARO Group's electronic whistleblowing system is accessible both within and outside the company. Access to the RECARO Group's electronic whistleblowing system is proactively communicated and provided in an appropriate language. Reports through the

RECARO Group's electronic whistleblowing system can also be made anonymously. The RECARO Group will make efforts to protect the identity of the whistleblowers. All collected information will be kept confidential as far as possible, without jeopardizing a thorough and effective investigation, or as permitted by law or in legal proceedings.

These reporting channels are not just for identifying possible rule violations but also allow the RECARO Group to respond quickly and appropriately.

The following link leads to the RECARO Group's electronic whistleblowing system:

<https://recaro.integrityline.app/>





## REPORTING

To make the RECARO Group's self-commitments in the areas of human rights and environmental protection transparent, the RECARO Group reports on its initiatives and established due diligence processes as part of the "LkSG Report". This report is not only a documentation of the commitments of the RECARO Group but also a demonstration of the RECARO Group's responsibility towards society and the environment.

Starting from the fiscal year 2024, the RECARO Group will annually provide the German Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle – BAFA) with information on significant human rights and environmental risks identified by the RECARO Group, as well as on the impacts of the RECARO Group's business activities within the supply chain. This report will be published on the RECARO Group's corporate website to offer the public transparent insight into our efforts.

In this report, the RECARO Group details:

### **Identified Risks and Impacts:**

The RECARO Group reports on the significant human rights and environmental risks it has identified, as well as the impacts of the RECARO Group's business activities within its supply chain.

### **Preventive and Remedial Measures:**

The RECARO Group explains the measures taken to prevent and remedy identified risks to minimize human rights and environmental risks. This also includes the presentation of preventive and remedial actions.

### **Evaluation of Effectiveness:**

The RECARO Group describes how it assesses the effectiveness of these measures and what conclusions the RECARO Group draws from this evaluation for the continuous improvement of the RECARO Group's due diligence processes.

The RECARO Group is committed to setting standards for sustainable business practices and continuously contributing to the improvement of the RECARO Group's due diligence efforts.

