

Respect for human rights and environmental obligations

Supply Chain Sourcing Obligations Act

Acting sustainably together

With this Declaration of Principles on Respect for Human Rights, we commit ourselves to internationally recognized standards:

- The so-called „Ten Principles“ on which the United Nations Global Compact is based.
- The OECD Guidelines for Multinational Enterprises of May 25, 2011.
- The April 2016 OECD Due Diligence Guide to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas (OECD Conflict Minerals Guide), 3rd edition 2019.
- The United Nations Universal Declaration of Human Rights, December 10, 1948.
- The UN Guiding Principles on Business and Human Rights (Resolution 17/4 of June 16, 2011).
- The ILO Declaration on Fundamental Principles and Rights at Work of 18.6.1998.
- ILO Conventions Nos. 138 and 182 and the ILO-IOE Child Labor Guidance Tool for Business, dated December 15, 2015.
- The UN Convention against Corruption of 31.10.2003.
- The United Nations Rio Declaration on Environment and Development, June 14, 1992.
- The global climate change agreement reached at the UN Climate Change Conference in Paris (COP 21) in December 2015, which entered into force on November 4, 2016.

Compliance with internationally recognized human rights is laid down as a matter of course in our Code of Conduct as a principle of our actions but also as an obligation for our employees. Compliance with human rights and environmental due diligence obligations is also an essential element of our human rights strategy. REHAU expects all suppliers to commit to compliance with REHAU's Supplier Code of Conduct and to pass on these obligations to their suppliers.

In particular, we attach importance to

- Responsibility towards fellow human beings and society.
- Prohibition of discrimination based on e.g., race, ethnic origin, gender, religion, ideology, disability, age, sexual identity, or other personal characteristics.
- Rejection of child and forced labor.
- Care for the environment, health, and safety in our workplaces.
- Compliance with all laws, including those relating to labor law, occupational health and safety, and the environment.

Human rights strategy

Our business activities are based on our Code of Conduct and our values [Promises and Values | REHAU](#). Human rights and environmental due diligence requirements are integrated as far as possible into our existing management systems and processes, for example via our compliance management system incl. Code of Conduct and whistle-blower system, our risk management system, health, safety and environment processes, material compliance processes, HR processes, sustainability processes. We installed a human rights officer several years ago.



Engineering progress Enhancing lives

REHAU's commitment in this regard goes beyond the prohibitions. More detailed information on this can be found in our sustainability reporting and our progress reporting on the UN Global Compact initiative on corporate responsibility and its principles in the areas of human rights, labor, the environment and anti-corruption.

We have prioritized environment-related risks from procurement on the basis of our risk analysis.

In our own business area, our focus is on promoting diversity even more in the sense of equal treatment regardless of age, gender, origin and status. One focus here is to significantly increase the proportion of women in management positions. For many years, we have been striving to achieve sustainable growth, conserve resources and protect the climate.

Human rights in the supply chain

Compliance with human rights and environmental is an essential element of our human rights strategy. REHAU expects all suppliers to commit to compliance with REHAU's Supplier Code of Conduct and to pass on these obligations to their suppliers.

Procedure description

▪ Risk management

To this end, we have systematically expanded our risk and supplier management to include human rights and environmental risks. In our management process we consider risk analyses as well as findings obtained, for example, through reported incidents. On this basis, we aim to continuously derive measures to avert potential risks and further align our management processes accordingly in a continuous improvement process.

Our risk management is supplemented by appropriate monitoring of our suppliers. Like all processes, our risk and supplier management process is subject to control by our internal audit function.

▪ Risk analysis

We take a risk-based approach to risk analysis. We have integrated risk analysis for our own business area into our existing risk management and annual risk assessment. We have integrated risk management for our suppliers into our procurement processes. The risk analysis of our suppliers is supported by a software solution. This software solution assesses the supplier's risk based on country, industry, publicly available reports, reported complaints and the supplier's impact (ratio of purchasing volume to total supplier sales). Based on the risk assessment, each supplier is assigned a low, medium, or high risk. We prioritize risks for suppliers with high sales volumes. We are now further developing our internal processes for effective implementation based on the results of the analysis. The risk analysis is updated once a year and/or as required.

▪ Prevention measures

Implementation of the human rights strategy

If a risk is identified, our business units must immediately establish appropriate preventive measures in their own business area and monitor them on a risk basis. Our PURCH procurement unit must develop and embed appropriate purchasing practices and monitor them on a risk basis.

If a risk is identified at a direct supplier, appropriate preventive measures must be established immediately for the direct suppliers and their implementation monitored on a risk basis. As part of the implementation of appropriate procurement strategies and practices, we have adapted our Supplier Code of Conduct, which contains clear requirements that our suppliers must observe. Suppliers must countersign the Supplier Code of Conduct.

Appropriate preventive measures will also be taken if we have substantiated knowledge of actual indications that suggest a breach of duty by an indirect supplier is possible.



Engineering progress Enhancing lives

All measures taken must be suitable for preventing or minimizing human rights and environmental risks. We also ensure that defined measures are implemented.

Training and education

All our employees receive training on our Code of Conduct. Our corporate culture is also built on human rights, environmental and sustainability principles. Our values are accessible to every employee and business partner. We have already anchored sustainability in our corporate strategy for several years, and our efforts in this regard are tangible and lived practice for every employee and business partner.

Our procurement department has trained all employees to implement the requirements of the LkSG in the procurement area. With our own Material Compliance departments, we support all business areas in complying with material-related environmental requirements. Our Sustainability, HR and HSE managers also receive sustainable training in the relevant principles and values.

With our Supplier Code of Conduct, we raise awareness and support our suppliers with the aim of implementing human rights, environmental and sustainability-related values themselves and in their own supply chain. Additional training documents for suppliers are currently being prepared.

Implementation of risk-based control measures in the supply chain

If we identify a risk in the supply chain, we immediately take appropriate preventive measures against the suppliers concerned based on the anchored processes and monitor the implementation of these measures to ensure that they are implemented. Suppliers are monitored in accordance with the results of the risk analysis.

Based on risk, we obtain supplier self-assessments and initiate further measures as required. We follow up on internal quality audits and, if necessary, external audits.

Remedial action

We will take immediate remedial action if we become aware of possible imminent or actual violations of the prohibitions of the LkSG or our Supplier Code of Conduct. This is with the aim of preventing, ending, or minimizing such violations. In this context, we ensure that any information received or becoming known about possible violations in our own business area or at suppliers is immediately passed on to the responsible employees.

The aim of corrective measures in the company's own business operations in the event of a violation is to prevent or end it. In the event of (imminent) violations in the business area of direct suppliers, the responsible employees in Purchasing shall immediately draw up a corrective action plan (incl. time schedule) together with the suppliers concerned to end, minimize, or prevent the violation and monitor its implementation. In the case of indirect suppliers, in the event of substantiated knowledge of a (threatened) violation, we shall draw up a concept for the prevention, termination or minimization of human rights or environmental violations and ensure its implementation.

We reserve the right to terminate the business relationship as ultima ratio in accordance with the provisions of the LkSG at least for exceptional cases such as serious violations and lack of remedy by suppliers.



Engineering progress Enhancing lives

Complaint mechanismus

REHAU operates a whistle-blower hotline that meets the highest standards of data protection and security and is open to employees and third parties such as employees of suppliers to report any unethical behaviour or illegal actions. Of course, violations can also be reported by any other means, for example by employees to superiors, the compliance contact, HR or via our direct communication channels open to all employees, such as office hours. Third parties are also free to address complaints outside our whistle-blower hotline. All reports are handled according to a binding, impartial procedure. Reports can be reported anonymously. Proven violations will be sanctioned appropriately. REHAU will not tolerate any form of retaliation against a person who reports in good faith.

Reporting Requirements

Our commitment to human rights and the environment is monitored by the Board of Management. Our company's representative pursuant to Section 4 (3) of the LkSG reports to the Board on a regular and ad hoc basis on compliance with human rights and environmental risks and other obligations under the LkSG. We regard the further development and at least annual or event-related review of the procedures described as a continuous process.

We will publish the annual reports according to Section 10 of the LkSG on our website. Our sustainability reports are also available there.

REHAU Automotive SE & Co. KG