

**Declaration of Principles  
for the Respect of Human Rights**

Last updated: December 2023

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## 1. Preface

The Schörghuber Group is a family-owned company characterized over three generations by responsible entrepreneurship, the careful fostering of old traditions and values, and the pursuit of innovation. It connects Bavarian tradition to the future. Our family company enjoys success in national and international markets with its business divisions Development, Real Estate, Beverages, Hotels and Seafood. The corporate culture of the Schörghuber Group is based on the values of quality, innovation and sustainability, which form the foundation on which the five business divisions work independently. The more than 5,000 employees worldwide are united in striving for providing more service, greater comfort, better solutions and therefore a better quality of life for their customers. The corporate responsibility for respecting human rights and environmental standards is fundamental in all our activities.

## 2. Our commitment to respecting human rights and environmental standards

We, the Schörghuber Group, commit to the corporate responsibility to respect human rights and the associated environmental standards. We are dedicated to establishing appropriate procedures and to a responsible and sustainable corporate governance. Based on our values, we are striving to conduct our business with the highest level of integrity and to comply with all applicable laws and regulations. The way we treat people, the decisions we take and the work we do every day is based on our corporate value system.

We align our business activities with the applicable law and recognized international standards and guidelines. At present, they include:

- [United Nations Universal Declaration of Human Rights](#)
- [Human Rights Covenants of the United Nations](#)
  - o International Covenant on Civil and Political Rights of the United Nations (ICCPR)
  - o International Covenant on Economic, Social and Cultural Rights of the United Nations (ICESCR)
- [Core Labor Standards of the International Labor Organization \(ILO\)](#)
- [Tripartite Declaration of Principles of the International Labor Organization \(ILO\) on Multinational Enterprises and Social Policy](#)
- [European Convention for the Protection of Human Rights and Fundamental Freedoms](#)
- [Forced Labor Priority Principles of the Consumer Goods Forum \(CGF\)](#)
- [OECD Guidelines for Multinational Enterprises \(2011\)](#)
- [IFC Performance Standards 2020](#)
- [UN Global Compact \(2000\)](#)
- [ISO 26000 \(2011\) Guidance on Social Responsibility](#)

The Schörghuber Group expects all employees and business partners to comply with applicable laws, regulations and internationally recognized human rights standards and associated environmental standards. Furthermore, our suppliers are required to ensure that human rights and environmental standards are respected along their own supply chains.

## 3. Implementation of due diligence obligations throughout the Schörghuber Group

Our business relationships along the supply chain were designed in accordance with ecological, social and ethical standards. To this end, the business divisions of the Schörghuber Group defined sustainability parameters that have been integrated into the order and supply chain management process. They are an elementary part of the corporate philosophy.

The existing risk management system of the Schörghuber Group business divisions was expanded to include the requirements of the German Supply Chain Act [Lieferkettensorgfaltspflichtengesetz - LkSG].

This law includes the following steps:

- regular risk analysis - at least once a year and whenever they become necessary upon an incident - including assessment and prioritization of human rights and environmental risks
- implementation of appropriate and effective prevention measures
- implementation of appropriate and effective corrective measures
- regular - at least annual - effectiveness reviews
- regular - at least annual - reporting

The extended risk management of the corporate divisions of the Schörghuber Group ensures that the human rights strategy is firmly established in all relevant business processes.

### **3.1 Definition of responsibilities**

The Executive Board of the Schörghuber Group has implemented the function of the Human Rights Officer at the level of the holding. The Human Rights Officer is responsible for monitoring the establishment, implementation and maintenance of the human rights and environmental risk management of the Schörghuber Group (with the exception of the Paulaner Brewery Group, which has its own Supply Chain Act Compliance).

The Human Rights Officer has designated contact persons in each business division who are responsible for the operational implementation of due diligence obligations concerning human rights and environmental standards in their own business divisions. They report to the Schörghuber Group Human Rights Officer regularly and whenever necessary.

The Schörghuber Group Human Rights Officer reports to the Schörghuber Group Executive Board on a regular basis (at least once a year) and whenever necessary about the fulfillment of the assigned tasks, including the results of the monitoring.

### **3.2 Risk analysis**

A key component of our due diligence obligations is to be aware of potential and actual adverse human rights risks and the impact of our business activities on people along the entire value chain.

For the Schörghuber Group ensuring, complying with and achieving the following aspects is compulsory throughout our own business divisions and the supply chain:

- prohibition of child labor
- freedom of association and the right to collective bargaining

- protection against discrimination and unequal treatment regarding the following dimensions:  
age, gender, nationality and ethnicity, sexual orientation, mental and physical abilities, religious or philosophical beliefs, social background
- right to health and safety in the workplace
- right to an adequate remuneration and compliance with working time regulations
- security staff
- respecting the rights of local communities and indigenous peoples
- protection of personal data
- protection against the destruction of natural resources and environmental pollution
- correct handling of hazardous materials

To this end, the Schörghuber Group conducts risk analyses regarding violations of human and environmental rights. These analyses create the basis for identifying risks and developing adequate risk prevention and mitigation measures.

The risk analysis is carried out as part of a structured process that is updated regularly. Both the business activities of the Schörghuber Group itself and those of its suppliers are considered. The Schörghuber Group makes use of the expertise and experience of its employees, who are in close contact with suppliers and organizations of the civil society.

In a first step, the risk analysis comprises an abstract consideration of specific risks related to different industries, materials and countries along the supply chains. In particular, this analysis is based on the following data:

- supplier's origin
- products and services
- purchasing volume
- external and officially recommended risk sources (e.g. EcoVadis)

In a second step, suppliers and organizations with an increased risk disposition are identified in the context of a concrete risk analysis. As part of this risk analysis, previous findings from integrity-related compliance audits at third parties are taken into account. However, they are supplemented by information from relevant external sources (e.g. EcoVadis) and data in order to obtain a comprehensive picture of the risk situation.

The following criteria are used to assess and prioritize specific risks in accordance with Section 3 (2) of the German Supply Chain Act:

- nature and scope of the business activities of the company;
- the ability of the company to influence the party who directly causes a human rights or environmental risk or the violation of a human rights / environmental obligation;
- the typically expected severity of the violation, the reversibility of the violation and the probability of a violation of a human rights / environmental obligation; and
- the nature of the contribution of the company to the causation of the human rights / environmental risk or the violation of a human rights / environmental obligation.

As part of the risk analyses carried out in the business divisions, the suppliers were assessed on the basis of these criteria of adequacy.

The analyses take all relevant legal positions protected by applicable conventions and laws into account. These include particularly sensitive areas. During the risk analysis, the Schörghuber Group identified child labor and forced labor, withholding adequate wages, working hours, occupational health and safety and the destruction of the natural resources through environmental pollution.

The results of the risk analyses form the basis for the corporate decision-making processes in the business divisions of the Schörghuber Group with regard to the selection and management of suppliers. They are used for identifying appropriate targets and for (further) developing preventive and corrective measures. The results of the regular risk analyses are reported to the Executive Board.

If necessary (e.g. in the case a supplier has an increased risk), further relevant processes and measures are initiated. The risk management processes take complaints and criticism reported by third parties into account. If a need for adjustment is identified, measures are taken to prevent future violations. The risk management of the business divisions of the Schörghuber Group is subject to constant review and adjustment.

The risk analysis approach is continuously developed, and the results are constantly reviewed to ensure an accurate representation of potential risks and the associated development of preventive measures.

### **3.3 Preventive measures**

In order to live up to our responsibility to respect human rights, we rely on the interaction of various preventive measures in our business divisions and at our direct suppliers. With the Code of Conduct for Suppliers and Business Partners, the Sustainability Questionnaire and the function of the Human Rights Officer we have established, whom employees and managers can contact at any time, the Schörghuber Group business divisions have taken measures to effectively react to potential risks.

Our primary goal is to protect potentially affected parties and to identify, prevent or at least minimize impacts on human rights or the environment.

The specific cooperation with external partners, contractors and suppliers is regulated by the Schörghuber Group business divisions by means of guidelines, manuals and process descriptions and the Code of Conduct for Suppliers and Business Partners.

In the framework of the regular assessment of our key suppliers and service providers via EcoVadis and other risk analysis tools, we also ensure compliance with the criteria set out in the Code of Conduct for Suppliers and Business Partners, which include all key requirements for compliance with human rights. With EcoVadis, social and environmental standards are directly integrated into supplier selection and approval.

### **3.4 Corrective measures**

If the Schörghuber Group business divisions become aware that a violation of our human rights or environmental due diligence obligations has occurred or is about to occur in their own business division or at the suppliers, appropriate corrective measures will be taken immediately.

The corrective measures must lead to the prevention or termination of the infringement in during own business.

In addition, a concrete time schedule must be defined. In close consultation with other departments and the concerned supplier, binding corrective measures must be agreed upon and initiated. These corrective measures range from addressing the behavior that is causing the problem, conducting training and audits and providing support for an adequate processing so that the supplier continues to fulfill the requirements for the cooperation.

If the supplier does not sufficiently fulfill its obligation of investigation and cooperation, the Schörghuber Group may terminate the business relationship with the concerned supplier with immediate effect on the basis of our contractual or statutory rights. The same applies in case of repeated or serious violations. Further rights, in particular claims for damages, remain unaffected by this.

### **3.5 Complaints mechanism**

An appropriate and effective complaints management system is an integral part of our due diligence processes in order to effectively prevent and remedy any violations within our company or in our value chain. Violations of our values not only damage the reputation of the Schörghuber Group as an employer and business partner, but they can also have serious legal and financial consequences for our company. In order to avoid or minimize possible unlawful acts, it is therefore crucial for us to identify, investigate and remedy any violations of human rights and applicable environmental standards at an early stage.

The Schörghuber Group takes violations of human and environmental rights seriously and therefore provides a publicly accessible and confidential reporting channel through which actual or suspected violations can be reported at any time.

Our secure, web-based whistle-blowing system (<https://www.bkms-system.com/schoerghubergruppe>) is available to any person, whether or not they have any kind of contractual or business relationship with us, from everywhere and 24/7. The system gives affected parties the opportunity to submit information and complaints about the conduct of the Schörghuber Group or our direct and indirect contractors, suppliers or business partners under their name or anonymously. There are also access options in English, French, Spanish, Italian and Chinese. The whistleblower will receive a confirmation that their report has reached us.

Reports and complaints will be processed by the Compliance Department in cooperation with the Human Rights Officer, who is impartial, independent and bound to secrecy.

Confidentiality and the protection of the whistleblower are our top priorities. As far as possible and within our control, we guarantee that whistleblowers are protected from any discrimination and punishment in connection with the information and complaints they submit. It is our corporate

policy not to take any steps to establish the identity of an anonymous whistleblower.

All information on the whistleblower system is available on the Schörghuber Group website. If any violation has been identified, it will be checked whether it is an individual violation (which cannot always be avoided) or a systematic flaw in the risk management or compliance management system. Should the latter be the case, the systems will be reviewed and revised accordingly.

### 3.6 Effectiveness review

The Schörghuber Group reviews the effectiveness of the preventive and corrective measures and the complaints procedure on a regular basis - at least once a year - and whenever this becomes necessary upon an incident. The information from the various complaint channels will be considered. If necessary, the measures will be updated immediately. The findings from the effectiveness review are incorporated into the ongoing development of the risk management system.

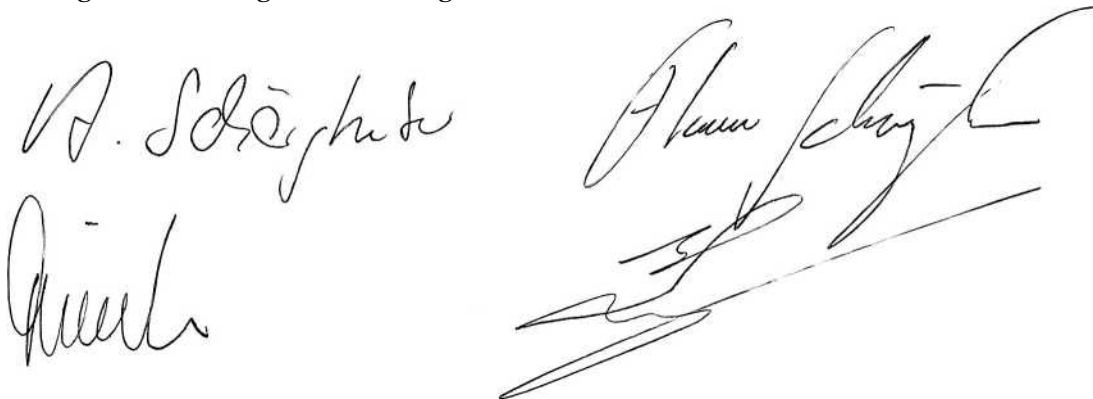
## 4. Reporting

The implementation of human rights and environmental due diligence obligations in our own business divisions and along our supply chains is an ongoing and continuously evolving process. The Schörghuber Group is aware of this and reports to the German Federal Office of Economics and Export Control [Bundesamt für Wirtschaft und Ausfuhrkontrolle - BAFA] once a year, fulfilling our due diligence obligations. This report will be published annually from 2024 onwards and will be available on our website in accordance with the statutory retention periods. The Schörghuber Group Human Rights Officer is responsible for coordinating the reporting process.

In addition, the Schörghuber Group reviews this declaration of principles once a year and whenever necessary in order to adapt it to any changed or expanded risk situation.

Munich, this 22<sup>nd</sup> day of December 2023

Schörghuber Stiftung & Co. Holding KG



Handwritten signatures in black ink. On the left, there are two signatures: the top one appears to be 'A. Schörghuber' and the bottom one is less legible. On the right, there is a large, stylized signature that appears to be 'Alwin Schörghuber'.