

EBERSPÄCHER DECLARATION OF PRINCIPLES ON RESPECT FOR HUMAN RIGHTS AND PREVENTION OF CERTAIN ENVIRONMENTAL VIOLATIONS

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I. Foreword by the management

Eberspächer is a global partner to the automotive industry.

In addition to the environmental concept of CLEAN MOBILITY, our corporate strategy MOVE, developed jointly by management, executives and employees, focuses above all on people under the keyword DEDICATED PEOPLE: People make the difference. Eberspächer invests in the development of each individual. Eberspächer is committed and takes responsibility - in our own operations, with our partners and throughout the entire supply chain.

Our name stands for the values of a fifth-generation, owner-managed family business, which also form the basis of our human rights strategy: Trust, respect and tolerance.

For Eberspächer, this results in the objective of fulfilling all human rights and environmental due diligence obligations in an appropriate manner. We want to use suitable structures to identify and minimize human rights and environmental risks in our own business area and in our value chain and to prevent, end or reduce the extent of breaches of duty as far as possible.

To this end, we have developed this policy statement on respecting human rights and preventing certain environmental violations, in which we disclose the cornerstones of our holistic human rights strategy, which all Eberspächer employees and business partners are called upon to actively support and implement.

Martin Peters

Managing Partner

II. Eberspächer's commitment to respecting human rights and environmental standards

As stated in our Code of Conduct, it is part of our self-image to put people at the forefront of our business activities. In doing so, we ensure that our actions strictly comply with the law while observing ethical principles. Respecting and protecting human rights is a top priority at Eberspächer. We face up to our social and environmental responsibility.

Accordingly, we are committed to respecting human rights and environmental standards in the Eberspächer Group's own business operations worldwide and to recognizing, preventing and eliminating negative impacts of our business activities on human rights and the environment. To this end, we have implemented a human rights and environmental risk management system with appropriate measures in all relevant business processes, which we are continuously developing.

III. Human rights and environmental expectations of our suppliers

We also work to ensure that our direct suppliers comply with these fundamental rights. In order to meet this requirement, we formulate our human rights and environmental expectations in our Business Partner Code of Conduct and oblige our business partners to establish due diligence processes to ensure human rights and environmental standards and to pass on these obligations in their supply chains. We pay particular attention to conflict minerals and have formulated our

expectations in this regard in our Conflict Minerals Policy. We have contractually agreed the necessary information, monitoring, control and intervention rights in order to be able to fulfill our due diligence obligations in this regard as well.

IV. International frame of reference

We undertake to be guided by the following international standards when fulfilling our due diligence obligations and to comply with them:

- United Nations Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights of the United Nations
- International Covenant on Economic, Social and Cultural Rights of the United Nations
- The ILO Declaration on the Five Fundamental Principles and Rights at Work ("core labor standards"), namely freedom of association and the right to collective bargaining, the abolition of child labor and forced labor, the elimination of inequality in respect of employment and occupation, and occupational health and safety
- The United Nations Guiding Principles on Business and Human Rights
- The ten principles of the UN Global Compact
- Environmental standards in accordance with the Minimata Convention, the Stockholm Convention on Persistent Organic Pollutants and the Basel Convention on the Control of Transboundary Movements and Disposal of Hazardous Wastes.

V. Human rights and environmental expectations of our employees

We expect our employees worldwide to respect certain environmental standards and human rights in their daily work and to uphold them in their dealings with those affected:

- **M 1 Prohibition of child labor:**
Children must not be hindered in their health, safety, education and development by harmful working conditions, such as overtime or night work. We therefore do not tolerate child labor below the age limit of 15 years in our business area in accordance with ILO Convention No. 138 on the minimum age for admission to employment and will not employ children as workers. This applies all the more to the worst forms of child labor under the age of 18, such as child slavery, forced and compulsory child labor, forced recruitment of children in armed conflicts, child prostitution, the use of children for illicit activities or the use of children for work that is harmful to health or morality (ILO Convention No. 182).
- **M 2 Prohibition of forced labor and slavery:**
We reject forced labor, compulsory labor and any form of slave-like practices through oppression in the workplace, including through extreme economic or sexual exploitation or humiliation (modern slavery) (ILO Convention No. 29, 105). In accordance with the ILO core labor standards, our employees have the free choice to establish employment relationships and can terminate these in compliance with appropriate or legally regulated deadlines.

- **M 3 Health and safety in the workplace:**

Protecting and promoting the health of our employees is a top priority for us: Eberspächer consistently complies with globally applicable legislation, local practices, collective agreements and international conventions on occupational health and safety and fire protection, and we therefore regularly subject relevant business areas to certification in accordance with the ISO certification standard ISO 45001. This includes, in particular, the safety standards of employees at their place of work and workplace and also applies with regard to work equipment. Eberspächer employees must be effectively protected from exposure to chemical, physical and biological substances. We take work organization measures to prevent excessive physical and mental fatigue, for example by organizing working hours (including overtime, rest breaks and days off).

- **M 4 Freedom of association and the right to collective bargaining:**

We respect the fundamental right of employees to form and join trade unions and employee representative bodies (e.g. works councils) or to be elected to such bodies. Employees are neither favored nor disadvantaged because of their membership or non-membership in an interest group. We respect the right of trade unions to operate freely in accordance with applicable law, in particular to conduct collective bargaining. The right to strike is respected (ILO Conventions No. 87 and 98). In our corporate culture, we maintain a trusting exchange and constructive cooperation with employee representatives and maintain an open dialog even at locations where there is no employee representation.

- **M 5 Prohibition of discrimination and unequal treatment:**

As part of our global business activities, we work successfully with people from different countries and cultures. We combat all forms of discrimination, unequal treatment or harassment, for example on the grounds of national or ethnic origin, social background, health status, disability, sexual orientation, age, gender, pregnancy or political opinion, religion or belief (ILO Convention No. 111). Outlawed unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value (ILO Convention No. 100). At Eberspächer, employees are assessed on the basis of their qualifications and skills. We value variety and diversity, are committed to equal opportunities for women and men in employment and promote inclusion.

- **M 6 Fairness in remuneration and benefits:**

We are committed to ensuring that equal pay is paid for work of equal value. At Eberspächer, employees are paid fairly and on time on a clearly communicated legal basis. Remuneration and social benefits must comply with the applicable principles and must not fall below the minimum wage set in the respective country. In places where there are no legal provisions for setting a minimum wage, we are guided by ILO Convention 131.

- **M 7 Prohibition of harmful environmental changes with negative consequences for people:**

In our business area and within the sphere of influence of Eberspächer, we respect the prohibition of causing harmful soil change, water or air pollution, harmful noise emissions or excessive water consumption if this would

significantly impair the natural basis for the preservation and production of food, deny access to safe drinking water, make access to sanitary facilities more difficult or harm a person's health.

- **M 8 Prohibition of unlawful eviction and land seizure:**

We respect applicable local, national, international and traditional rights to land, water and resources. We respect the prohibition of unlawful eviction and the prohibition of unlawful deprivation of land, forests and waters whose use secures the livelihoods of people in their acquisition, development or other use.

- **M 9 Prohibition of the unlawful use of security personnel:**

We do not tolerate any unlawful behavior by security service providers towards employees or third parties. We instruct contracted security personnel accordingly and contractually oblige them to respect human rights.

- **M 10 Obviously unlawful violation of legal positions:**

In general, we expect our employees to refrain from doing anything that could lead to obviously unlawful and serious impairment of the protected legal positions of others.

- **U 1-3 Responsible handling of risky raw materials:**

We are aware of the human rights and environmental risks associated with the extraction, processing and disposal of the raw materials required for our products. We therefore act in accordance with the Minamata Convention on Mercury of 10.10.2013, the Basel Convention on the transboundary movements of hazardous waste and their disposal of 22.03.1989 and the Stockholm Convention on Persistent Organic Pollutants of 23.05.2001 (POPs Convention).

- **Protection of personal data:**

Eberspächer attaches great importance to respecting personal rights and data protection. This also includes the correct handling of personal data of employees, customers and business partners, in particular compliance with the data protection laws applicable at our locations. With regard to our employees worldwide, we are guided in this respect by the high level of protection provided by European and German data protection regulations.

VI. Identification of priority human rights issues in own business area

We use risk analyses worldwide to identify human rights and environmental risks in our own business area as well as those that may arise from our business partners in our supply chains. Depending on the region, we primarily identify priority risks in the following areas in our own business division:

- **Violation Health and safety in the workplace**

Potential violations of applicable national health and safety laws and violations of internal occupational safety standards are particularly conceivable in new plants and in joint ventures with partners primarily in emerging countries. This is also due to inadequate global support and control processes in these particular countries.

- **Discrimination**

With regard to discrimination, violations of internal anti-discrimination guidelines are conceivable due to a lack of awareness and sensitivity at our own locations.

Identification of priority human rights issues in the supply chain

For our suppliers, abstract country risks and product group risks are most likely in the following areas:

- **Child labor, forced labor**

The greatest human rights risks are found at the beginning of the value chain in the extraction of raw materials (raw materials, coatings for substrates). In this respect, potential violations of the ban on child labor and forced labor in critical countries are conceivable.

- **Health and safety in the workplace**

In the case of direct suppliers in critical countries, violations of applicable national health protection laws and violations of occupational safety standards are conceivable.

Vulnerable groups

We focus on potentially affected groups of people:

- Our own employees at Eberspächer's German and international locations as well as employees of joint venture partners,
- Employees of direct and indirect suppliers of Eberspächer,
- Employees of service companies who work on site at our locations,
- Affected rights holders in the immediate vicinity of our sites, members of local communities.

Within these groups, there are specific groups of people who require special protection.

VII. Our approach

Respect for people and the environment is the basis of our corporate culture and is reflected in our MOVE corporate strategy. In order to fulfill our due diligence obligations, we examine the impact of our own actions on people and the environment in all companies and joint ventures of the Eberspächer Group worldwide as well as at our direct suppliers. To this end, we have developed a human rights compliance risk management process with which we regularly investigate and analyze potential human rights and environmental risks of our business activities and those of our direct suppliers on a preventive basis and implement preventive measures and, if necessary, remedial measures. If there are actual indications of a breach of human rights or environmental obligations by indirect suppliers, we maintain a process for analyzing and responding to risks on an ad hoc basis. We continuously develop and improve all processes.

- **Risk management and responsibilities:**

The overall responsibility for respecting the environment and human rights in its own business area as well as in the value chain lies with the overall management of the Eberspächer Group. It determines the respective topic-specific responsibilities within the Group.

Together with the Compliance Committee, the Compliance function manages and monitors the overarching processes for fulfilling human rights and environmental due diligence obligations as part of human rights compliance risk management. Within this framework, we have defined responsibilities for the fulfillment of human rights and environmental due diligence obligations in accordance with the LkSG:

Operational responsibility for the human rights risk management process lies with the Division Compliance Officers for Eberspächer's three divisions. The fulfillment of human rights and environmental due diligence obligations at the locations of Eberspächer's own divisions is the responsibility of the respective site management, supported by the Human Resources and Health, Safety & Security departments.

Environment. Responsibility for the due diligence processes in the supplier network is defined and regulated on a division-specific basis with different tasks and duties.

- **Risk analysis procedure:**

The fulfillment of our human rights and environmental due diligence obligations is based on extensive regular annual and ad hoc risk analyses in our own business area and in our supply chain with regard to the impact of our business activities on human rights and the environment. Occasional risk analyses are carried out in the event of changes in business activities, the business environment or due to substantiated knowledge of violations based on corresponding information. To this end, we have implemented abstract and concrete analysis procedures that we apply in our own business area and to our direct suppliers as well as to indirect suppliers on an ad hoc basis. The identified risks are assessed and prioritized according to the severity of the actual or impending breach and the probability of occurrence. The results are continuously incorporated into the corporate decision-making processes and into the business strategies for supplier selection and supplier management and form the basis for remedial and preventive measures. Human rights and environmental risks are identified at Eberspächer as follows:

- Own business division:

As part of the risk analyses in our own business division, we systematically examine the risks identified as material under the responsibility of the Compliance Officer Division by qualified employees from the Human Resources and Health, Safety & Environment departments with regard to potentially vulnerable groups, both abstractly and specifically using suitable instruments such as document analyses or IT-supported analyses. Reviews are carried out at all our locations worldwide by the Compliance Officer division and Internal Audit. Information from the implementation of measures and from our whistle-blower system is also recorded.

- Direct & indirect suppliers:

For our direct suppliers, we first determine abstract human rights and environmental country risks using relevant indices. In addition, we identify commodity group risks with regard to potential violations of human rights and environmental obligations by our direct suppliers. To this end, we systematically evaluate external and internal data sources on an ongoing basis. By actively obtaining feedback (e.g. in the form of questionnaires) from our product group manager, supplier auditors and our plants worldwide, we ensure that risks and violations are recorded. Information from our reporting system is also incorporated into the risk management process. Our supplier management processes have been expanded to include human rights and environmental aspects in onboarding, nominations and audits.

- **Preventive measures:**

We derive preventive measures from the findings of our abstract and concrete risk analyses, from public reporting, from information and complaints from affected parties, from audits or from exchanges with experts. The aim of our preventive measures is to avoid human rights and environmental impacts in order to improve the situation of those potentially affected. To implement our human rights strategy set out in this declaration, we raise awareness of human rights and environmental issues as part of our Code of Conduct (conduct in business, employees and management culture) and the associated company-wide training courses that are mandatory for all employees. A special human rights training course for all employees is currently being developed. All of this is supplemented by internal company guidelines such as our Conflict Minerals Policy or a sustainable procurement policy. We ensure that the relevant expertise is available in the specialist areas of Compliance, Human Resources, Health, Safety & Environment, Procurement and Production, which are particularly affected. We have also implemented risk-based training and intend to develop it further. As part of compliance monitoring, we regularly review compliance with human rights and environmental expectations in our own business operations.

In the area of supplier management for our direct suppliers, we have expanded our nomination and onboarding processes and our supplier audits to include human rights and environmental issues as well as the assessment of our suppliers' respective country risks. In our Business Partner Code of Conduct, which is contractually agreed with our direct suppliers, we require compliance with our expectations in this regard and demand that they are

addressed appropriately in the rest of the supply chain. We have contractually agreed corresponding risk-based audit rights to verify compliance with our human rights strategy. We provide free supplier training on human rights and environmental risks. The first training courses were held this year and are to be continued.

- **Remedial measures:**

In our own business area and with our direct suppliers, a zero-tolerance limit applies with regard to the human rights and environmental risks in question, which forces us to take action if we become aware of violations that have occurred or are imminent. We put an end to violations in our own business area by taking appropriate remedial measures and, if necessary, sanctioning them through labor law measures.

Insofar as human rights or environmental obligations have been violated in the area of a direct supplier or a violation is imminent, Eberspächer requires that the complaints be remedied immediately at its own expense. Eberspächer reserves the right vis-à-vis its business partners to take appropriate remedial measures at the expense of the business partner concerned within its sphere of influence in order to end a violation or minimize the extent of a violation. The business partner is obliged, if necessary, to participate in the creation and implementation of a concept for to cooperate in terminating or minimizing the breaches of duty. Depending on the extent of the breach of law, Eberspächer also reserves the right to take legal action, to temporarily suspend the business relationship or - as a last resort - to terminate it.

If Eberspächer obtains substantiated knowledge of actual indications of a possible legal violation at an indirect supplier, we initially counter this with an event-related risk analysis and attempt to establish appropriate preventive measures vis-à-vis the originator and create a concept to improve the situation.

- **Complaints procedure:**

In order to be able to prevent, recognize and end potentially adverse effects of our economic activities or those of a direct supplier on human rights and environmental relations in good time, we have established an effective and appropriate complaints management system as an integral part of our due diligence processes with our Eberspächer Speak Up. We offer employees as well as potentially involved and affected parties the opportunity to inform us of human rights and environmental risks as well as violations of the same obligations via our globally accessible website in several languages. However, information can also be provided by post or in person. We provide information on access and the reporting process on our intranet and in our rules of procedure, which are publicly accessible on our website.

We follow up all complaints, reports and indications of possible human rights violations and environmental risks in a defined investigation process that is also described in the rules of procedure, which take into account the requirements of the LkSG. We guarantee the confidential treatment of reports and, if requested, even the anonymity of the reporter's identity. In any case, we protect reporters from reprisals, discrimination or punishment based on a complaint. The information and complaints help us to improve our due diligence, which is why we also review and further develop the effectiveness of our complaints management system on an annual and ad hoc basis.

- **Effectiveness control:**

The fulfillment of our due diligence obligations is a continuous process that is subject to ongoing development. We review the effectiveness of our processes, preventive and remedial measures in our own business area through audits at least once a year, employee surveys, exploration of potential for improvement and the involvement of stakeholders and - where necessary - affected parties. We regularly carry out specific certifications for certain risk areas at relevant locations. In the supply chain, we expand our risk analyses as new findings emerge and review the effectiveness of analyses and measures by comparing the results of our analyses over time and observing the development of the effects of our measures. In addition, we carry out risk-based controls in the form of document reviews and assessments at suppliers, and we are also continuously expanding our focus in this area.

- **Documentation and reporting:**

In our annually published sustainability report, we inform the public about our voluntary commitments and due diligence processes and their results. From the 2023 financial year, we will report annually to the German Federal Office for Export Control on the documented fulfillment of our human rights and environmental due diligence obligations in accordance with the LkSG. This declaration of principles was developed in dialogue with the responsible parties, the specific specialist departments and external experts and was approved by the Executive Board. The policy statement is subject to continuous development and improvement as soon as relevant changes occur in the risk situation and/or our due diligence processes. It replaces the Human Rights & Working Conditions Policy. Individuals or third parties cannot derive any rights from this policy statement.