

Guiding principles for sustainable supplier management / Supplier Code of Conduct

of DSR Hotel Holding GmbH

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1. Introduction

As a tourism company based in Germany, DSR Hotel Holding GmbH and its subsidiaries are aware of their responsibility towards countries and regions, their cultures as well as towards their guests, partners, employees (1) and society.

DSR Hotel Holding GmbH is therefore committed to ecologically and socially responsible corporate governance and in particular to respecting human rights. DSR Hotel Holding GmbH also expects its suppliers and service providers to observe these principles.

The present Supplier Code of Conduct of DSR Hotel Holding GmbH (in short: „SCoC“) serves as a cornerstone for the joint effective implementation of these principles.

The SCoC defines the **minimum standards** for compliance with the entrepreneurial duties of care in the supply chain, which suppliers (including service providers) have to observe and comply with in business transactions with business premises of DSR Hotel Holding GmbH. For the purposes of this SCoC, the following shall be deemed to be business premises of DSR Hotel Holding GmbH all companies/brands and their operations which fall within the own business area of DSR Hotel Holding GmbH.

The SCoC is based on international standards such as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Convention on the Rights of the Child and the United Nations Convention on the Status of Women. It also complies with the requirements of the German Supply Chain Sourcing Obligations Act (LkSG).

The following regulations are **binding** for the cooperation between the companies of DSR Hotel Holding GmbH and their suppliers. The SCoC applies as long as the supplier has a business relationship with DSR Hotel Holding GmbH or one or more operating sites of DSR Hotel Holding GmbH or its subsidiaries.

It is clarified that compliance with the requirements of this SCoC does not release the supplier from fulfilling any further requirements that may arise from the laws applicable to it. Requirements arising from the laws and other legal provisions applicable to it. In this respect, the SCoC only sets minimum standards.

2. Corporate duties of care ---

2.1 GENERAL

DSR Hotel Holding GmbH expects that the supplier does not violate the obligations set out in sections 3 and 4 of this SCoC (hereinafter: „human rights-related and environmental obligations“). The supplier undertakes to ensure this in its own business area.

DSR Hotel Holding GmbH also expects that there are no violations of human rights and environmental obligations in the supplier's upstream supply chain (i.e. by its direct and indirect suppliers within the meaning of the LkSG). The supplier shall communicate these principles and the resulting obligations to its business partners as binding regulations. The supplier may also implement further rules.

Should the supplier be of the opinion that he cannot fulfil a requirement of this SCoC without violating the law applicable to him, he must inform DSR Hotel Holding GmbH of this immediately with appropriate proof of this collision.

The supplier shall not only comply with the human rights and environmental obligations listed in this SCoC, but is also obliged to refrain from any similarly serious interference with the legal positions listed in this SCoC.

The supplier undertakes to carry out risk management appropriate to the business activity in relation to the implementation of the SCoC by identifying, analysing and prioritising the human rights and environmental impacts of its business activities and its suppliers. In doing so, the protected interests of rights holders shall be taken into account, especially those of vulnerable groups, such as children, women, indigenous communities, smallholders or migrants.

The supplier is obliged to provide the necessary personnel capacities and to develop and implement management systems, processes and guidelines in order to establish and implement the requirements described here. requirements described herein and to monitor their fulfilment on an ongoing basis. This includes conducting training to inform staff of the contents of this SCoC.

The supplier must strive to create transparency across its entire supply chain.

2.2 REPORTING OF VIOLATIONS

The supplier is obliged to notify us of any breach of the SCoC, without prejudice to its further notification obligations under the following sections of the SCoC. The notification shall be made in compliance with the legitimate interests of the supplier (or, if applicable, its supplier), the rights of employees, data protection and the protection of business secrets.

DSR Hotel Holding GmbH has implemented a uniform, usable digital complaints procedure on its website for all companies/brands and their operating sites, which employees and other potentially affected groups of persons can use at any time to report violations of human rights and environmental issues - also completely anonymously.

The complaint procedure complies with the requirements of the GDPR. The supplier shall inform its business partners of this complaint procedure with DSR Hotel Holding GmbH.

2.3 DSR HOTEL HOLDING'S RIGHT TO INFORMATION AND INSPECTION

The supplier is aware that DSR Hotel Holding GmbH is obliged to carry out a risk analysis on its part in accordance with § 5 LkSG.

Upon request of a company/brand and its operating facilities, the supplier shall immediately provide DSR Hotel Holding GmbH with all information required by DSR Hotel Holding GmbH and its companies/brands and operating facilities or a third party commissioned by it for this purpose in order to carry out the risk analysis with regard to the supplier's company (also repeatedly, insofar as a repetition is required according to § 5 para. 4 LkSG). DSR Hotel Holding GmbH and its companies/brands and operating sites may carry out inspections at the supplier's operating sites once a year or if there is a concrete reason to check compliance with the SCoC during normal business hours after reasonable advance notice by DSR Hotel Holding GmbH or a third party commissioned by it.

2.4 PREVENTIVE MEASURES IN THE SUPPLIER'S OWN BUSINESS

Should DSR Hotel Holding GmbH identify a risk in relation to the supplier's company within the scope of a risk analysis in accordance with § 5 LkSG, or should the supplier himself identify such a risk, the supplier is obliged to take appropriate preventive measures in relation to those human rights-related and/or environmental obligations to which the risk relates without being asked to do so - at the latest, however, at the request of DSR Hotel Holding GmbH. In this case, the hotelier is obliged, among other things,

- to encourage his responsible employees to participate in recognised training and further education,
- agree to the agreement of appropriate contractual control mechanisms and their risk-based implementation. In particular, the supplier must tolerate that employees or agents of DSR Hotel Holding GmbH carry out appropriate controls of their own in all of the supplier's operating sites possibly affected by the risk and inspect the supplier's documents relevant to the risk; alternatively, DSR Hotel Holding GmbH can demand that the supplier submits to a recognised certification or audit system, provided that the implementation of independent and appropriate controls is guaranteed by this. The aforementioned inspections can be carried out by DSR Hotel Holding GmbH during normal business hours and after reasonable advance notice. If a further risk analysis reveals a substantially changed or substantially expanded risk situation, the aforementioned obligations shall apply again.

2.5 REMEDY FOR INFRINGEMENTS IN THE SUPPLIER'S OWN BUSINESS

If a human rights-related or environmental obligation has been violated by the supplier or if such a violation is imminent, the supplier is obliged to report this circumstance in accordance with section 2.2 above and to take appropriate remedial measures without delay in order to prevent or end the violation and to minimise the extent of the violation.

Upon request by DSR Hotel Holding GmbH, the customer must prove which measures it has taken in this respect. If the nature of the infringement is such that not all measures can be taken or become effective immediately, the supplier shall submit a concept and a concrete time schedule for the outstanding measures or their becoming effective upon DSR Hotel Holding's request.

The supplier shall review the effectiveness of all remedial measures taken by it in accordance with this clause 2.5. at least once a year; if necessary, it shall adjust the measures in an appropriate manner. He shall report on this to DSR Hotel Holding GmbH on request.

If the supplier fails to comply with one of his obligations under this clause 2.5, DSR Hotel Holding GmbH and its subsidiaries shall be entitled - without prejudice to any other rights - to suspend the business relationship with the supplier until the supplier has complied with his obligation.

2.6 PREVENTIVE AND REMEDIAL MEASURES IN THE SUPPLIER'S UPSTREAM SUPPLY CHAIN

If there are factual indications that a violation of a human rights-related or environmental obligation in the supplier's upstream supply chain (i.e. at a direct or indirect supplier of the supplier) is possible, the supplier shall immediately - at the latest upon request of DSR Hotel Holding GmbH - report the following (i.e. at a direct or indirect supplier of the supplier), the supplier shall, without being requested to do so - at the latest, however, at the request of DSR Hotel Holding GmbH - immediately:

- obtain all information required by DSR Hotel Holding GmbH or a third party commissioned by DSR Hotel Holding GmbH for this purpose in order to carry out a risk analysis with regard to the supplier in accordance with § 5 LkSG (also repeatedly, insofar as a repetition is required in accordance with § 5 para. 4 LkSG),
- to establish appropriate preventive measures vis-à-vis the supplier, such as the implementation of control measures by employees or agents of the supplier or - at the request of DSR Hotel Holding GmbH - by employees or agents of DSR Hotel Holding GmbH, support in the prevention and avoidance of a risk, or the implementation of appropriate industry-specific or cross-industry initiatives.

The supplier must ensure through appropriate agreements with its direct suppliers that it can fulfil its obligations under this clause 2.6 at any time (i.e. that it receives the required information without delay if necessary, that its direct and indirect suppliers tolerate the aforementioned inspections and that they accept and enforce the aforementioned preventive measures).

The supplier shall prove to DSR Hotel Holding GmbH upon request which preventive measures have been taken. If a human rights-related or environmental obligation has been violated in the supplier's upstream supply chain (i.e. at a direct or indirect supplier of the supplier) or if such a violation is imminent, the supplier shall be obliged to report this circumstance in accordance with Clause 2.2 above, to draw up a concept for the cessation and minimisation together with the supplier without delay and to ensure that the supplier takes the appropriate remedial measures provided for hereunder without delay. Appropriate remedial measures provided for hereunder. Clause 2.5 shall apply accordingly. The supplier must prove to DSR Hotel Holding GmbH which remedial measures have been taken.

2.7 ESTABLISHMENT OF COMPLAINTS MECHANISMS

The supplier is obliged to establish suitable mechanisms in its own business area with which employees can draw attention to violations of human rights-related or environmental obligations and which fulfil the following criteria in particular:

- easily accessible, trustworthy and fair grievance mechanisms
- Information to all employees about the existence of grievance mechanisms.
- Transparent process for dealing with complaints
- Employees have the option to complain anonymously.
- Involvement of employee representatives when necessary.
- Written documentation of complaints and their resolution
- No sanctions against employees for filing a complaint.

The supplier must work towards ensuring that its direct and indirect suppliers also establish complaints mechanisms that meet the above requirements.

2.8 RIGHTS OF DSR HOTEL HOLDING GMBH IN THE EVENT OF BREACH OF DUTY BY THE SUPPLIER

If the supplier violates one of its obligations from the above clauses 2.1 to 2.8, each company of DSR Hotel Holding GmbH shall be entitled to terminate any continuing obligations existing with the supplier without notice for good cause and to withdraw from any purchase contracts not yet fully performed, provided that:

- the breach is related to a very serious violation of a human rights-related or environmental obligation,
- a concept developed to end this violation does not remedy the situation or does not remedy it in time, and
- no other mitigating means are available to the DSR Hotel Holding GmbH company to end the violation.

Further claims to which the companies of DSR Hotel Holding GmbH are entitled in the event of a breach of duty by the supplier (in particular the right to demand compensation for any damages incurred) shall remain unaffected.

3. Human rights related duties ---

3.1 FAIR LABOUR CONDITIONS

All employees must be informed of their rights and the terms and conditions of their employment (such as remuneration, working time regulations and holiday entitlements) in a comprehensible manner and have written employment contracts.

All employees must be paid in accordance with the statutory minimum wages or, if higher, industry standards approved on the basis of relevant company or collective agreements. The right of all employees to an adequate remuneration sufficient to enable them and their families to live in dignity must be respected. Statutory social benefits must be provided.

Remuneration shall be paid in a timely, regular and complete manner in a legal means of payment. Deductions are only permitted under conditions prescribed by law or established by collective agreements. Deductions from wages as a disciplinary measure are not permitted.

In addition, applicable statutory, as well as (collective/collective) agreement regulations on working time (in particular with regard to overtime, break and rest periods) as well as holidays, paid sick days and parental leave must always be complied with in a non-discriminatory manner. The use of overtime must be regulated by contract or (collective/ bargaining) agreement.

Care must also be taken to ensure that employees are not subjected to inhuman or degrading treatment, physical punishment, sexual harassment, psychological or physical coercion, abuse or verbal abuse in the workplace.

Disciplinary measures that violate applicable law may not be taken. Permitted disciplinary measures may only be taken if they are laid down in writing in the employment contract or in previously announced work regulations. The relevant regulations must also have been explained to the employee verbally in clear and comprehensible terms.

3.2 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

The right of all employees to freely and democratically form and join employee representatives and to bargain collectively shall always be respected. Staff representatives must operate freely and in accordance with the law of the place of employment.

in accordance with the law of the place of employment; this also applies to the right to strike. In countries where this is not regulated or is handled restrictively, this right must be taken into account by allowing employees to freely elect their own representatives, at least at company level, who can enter into dialogue with the company on employment relations. Employee representatives must not be denied access to or interaction with employees.

3.3 BAN ON DISCRIMINATION

Any form of discrimination against employees must be avoided and actively prevented. In particular, no one may be discriminated against on the basis of skin colour, gender, age, religion or world view, social background, health, ethnic origin, nationality, marital status, membership in employee organisations, political membership or political opinion or sexual identity. This applies in particular to the recruitment of employees and to their further training, promotion and remuneration.

3.4 PROTECTION OF CHILDREN FROM SEXUAL EXPLOITATION

The supplier shall take appropriate measures to ensure that its business or premises are not used for the purpose of child prostitution, the procurement of children for sexual purposes or the production, distribution or storage of pornographic material involving minors.

Suspicious conduct by guests, employees, employees of the supplier's business partners or other persons observed on the supplier's premises or during excursions, or brought to the supplier's attention, shall be reported by the supplier to local law enforcement. The supplier shall report such behaviour to the local law enforcement authorities.

3.5 CHILDREN'S RIGHTS REQUIREMENTS FOR TOURISM PRODUCTS

Product requirements for host families and social project visits are set out in the Declaration of Principles (2) on Child Protection of DSR Hotel Holding GmbH. The providers of these services undertake to implement the requirements, which are communicated and controlled within the framework of training courses. Tourist visits to schools and orphanages or participation in volunteer work with children are not permitted.

3.6 BAN ON CHILD LABOUR

The minimum age of a child for admission to employment must be above the age at which compulsory education ends under the law of the place of employment/country of employment, but in no case below the employment age of 15 years, unless one of the exceptions recognised by the ILO applies. (cf. ILO Convention No. 138). However, these exceptions are only relevant if local law also provides for them.

In order to ensure the above, reliable age assessment mechanisms must be applied when recruiting employees, but under no circumstances may they lead to degrading or undignified treatment of employees or applicants.

3.7 PROTECTION FOR YOUNG EMPLOYEES

The worst forms of child labour (according to ILO Convention No. 182) are always prohibited for employees under the age of 18. These include, but are not limited to and any work which, by its nature or the circumstances in which it is carried out, is likely to be harmful to the health, safety or morals of children or young persons.

Where employees are under 18 years of age, their working hours shall not interfere with their participation in vocational training programmes recognised by competent bodies.

3.8 BAN ON FORCED LABOUR AND SLAVERY

Employment in forced labour is prohibited. This includes any work or service which is required of a person under threat of punishment (whether physical, mental, financial or otherwise) and for which that person has not volunteered. Also prohibited are all forms of slavery, slave-like practices, servitude or other forms of domination or oppression in the workplace environment, such as extreme economic or sexual exploitation and humiliation.

All employees must be granted the right to terminate their employment relationship employment subject to the contractually agreed or statutory period of notice. It is prohibited to withhold identity documents from employees.

Employees, especially migrant workers and migrants, must not make unlawful payments or deposits to obtain their jobs.

If legitimate payments are incurred for employment services or for obtaining documents necessary for employment, such as work permits, visas or health checks, these must be borne by the employer.

Special care must be taken when using employment agencies, both directly and indirectly. Only legal and responsible employment agencies may be used. Wherever possible, certified employment agencies should be used.

3.9 OCCUPATIONAL SAFETY AND HEALTH

The health and safety obligations applicable under the law of the place of employment/ country of employment shall be complied with at all times. Ensure that appropriate systems are in place in each establishment to identify, assess, prevent and control potential hazards to the health and safety of employees. Effective measures shall be taken to prevent accidents at work or work-related health hazards, in particular through

- adequate safety standards in the provision and maintenance of the workplace, the workplace and work equipment,
- appropriate protective measures to avoid exposure to chemical, physical or biological agents,
- measures to prevent excessive physical and mental fatigue, in particular through appropriate work organisation in terms of working hours and rest breaks, and
- adequate training and instruction of workers and documentation of these measures.

The minimum requirements also include adequate lighting, temperature control and ventilation, the provision of drinking water, adequate sanitary facilities and the provision of occupational health care. Where accommodation is provided, it must be clean and safe and meet the basic needs of workers. Employees must have the right to leave the premises in dangerous situations without having to ask for permission.

The supplier shall appoint a person responsible for compliance with the aforementioned occupational health and safety obligations from its management or from among its senior employees.

3.10 PRESERVING NATURAL LIVELIHOODS AND MEETING BASIC HUMAN NEEDS

The preservation of the natural foundations of life must be observed and safeguarded and, in particular, care must be taken to avoid harmful soil changes, groundwater pollution, air pollution, harmful noise emissions or excessive water consumption in the course of business activities:

- significantly affect the natural basis for the conservation and production of food,
- deny a person access to safe drinking water,
- impede or destroy a person's access to sanitary facilities; or
- harm a person's health.

3.11 RIGHTS OF LOCAL COMMUNITIES, EVICTIONS

Local, national, international and traditional land, water and resource rights shall be respected, especially those of indigenous communities. The free and informed consent of the affected communities shall be obtained before legally permitted land use changes are made or water or resources of local communities are consumed or affected. The consent process shall be documented. Ensure that no unlawful forced evictions take place.

3.12 DEPLOYMENT OF SECURITY FORCES

The hiring or use of private or public security forces for the protection of a company project is prohibited if, due to a lack of instruction or control on the part of the company in the use of the security forces

- the prohibition of torture and cruel, inhuman or degrading treatment is violated,
- life or limb is violated; or
- the freedom of association and the right to organise are violated.

4. Environmental duties

4.1 RESOURCE CONSUMPTION, AVOIDANCE OF ENVIRONMENTAL POLLUTION

In addition to the applicable local environmental laws, all internationally recognised environmental standards must also be complied with. The supplier shall act responsibly to protect the environment. The supplier is required to continuously improve environmental protection in its business processes. We consider the existence of suitable environmental management systems to be advantageous. Throughout the entire supply chain, the aim is to avoid or continuously reduce the environmental impact of resource and energy consumption, greenhouse gas and air pollutant emissions, water consumption, soil and water spreading and waste, to preserve biodiversity and ecosystems, and to promote recycling ecosystems and to promote a circular economy. This applies to goods, packaging and services.

4.2 HANDLING OF WASTE

Appropriate measures shall be taken to ensure that waste containing persistent organic pollutants (as defined in the Stockholm Convention of 23 May 2001 (POPs Convention) and applicable legislation adopted on the basis thereof) is handled, collected, transported and stored in an environmentally sound manner.

Such waste may only be disposed of in a way that destroys or irreversibly transforms the said pollutants (so that they no longer exhibit the characteristics of persistent organic pollutants) or is otherwise disposed of in an environmentally sound manner; the latter can only be considered if destruction or irreversible transformation is not the environmentally preferable option or the persistent organic pollutant content is low.

The export of hazardous and other wastes within the meaning of the Basel Convention of 22 March 1989 and within the meaning of Regulation (EC) No 1013/2006 is prohibited if

- the importing State is not a Party to the Basel Convention,
- the importing State has not given its written consent to the particular import or has even prohibited such import, or
- it is likely that the waste will not be managed in an environmentally sound manner in the country of import or elsewhere.

The following are also prohibited

- the export of hazardous wastes (as defined above) from countries listed in Annex VII to the Basel Convention to countries not listed therein, and
- the import of hazardous wastes and other wastes (as defined above) from a country that is not a Party to the Basel Convention.

4.3 ENVIRONMENTAL PERMISSIONS

All required environmental permits and approvals must be obtained, kept current at all times and followed.

4.4 CLIMATE PROTECTION

The companies of DSR Hotel Holding GmbH expect appropriate measures to be taken at all stages of the supply chain to reduce the CO₂ balance and thus contribute to achieving the targets agreed at the UN Climate Change Conference in Paris and the 1.5 degree target of the Intergovernmental Panel on Climate Change (IPCC).

All suppliers and their subcontractors are encouraged to find economic solutions to improve energy efficiency and minimise energy consumption and greenhouse gas emissions. The aim is to avoid or reduce greenhouse gas emissions as far as possible through avoidance and reduction strategies and only then to neutralise residual emissions.

The protection of forests and other valuable ecosystems play a central role in the mitigation of climate change and the preservation of biodiversity. The companies of DSR Hotel Holding GmbH expect their suppliers and their suppliers' suppliers to make their contribution to net zero deforestation. All suppliers and their suppliers shall endeavour to ensure that no clearing of primary forests and other areas worthy of special protection takes place for the production of raw materials and that compensation is provided through reforestation in the event of legal deforestation.

4.5 HAZARDOUS SUBSTANCES AND PRODUCT SAFETY

Hazardous substances, chemicals and materials shall be labelled and their safe handling, movement, storage, recycling, reuse and disposal shall be ensured. Strictly comply with all applicable laws and regulations regarding hazardous substances, chemicals and materials. Applicable substance restrictions and product safety requirements shall be complied with.

Key employees must be informed and regularly trained in this regard.

The following are prohibited

- the manufacture, import and export of mercury-added products,
- the use of mercury and mercury compounds in manufacturing processes as defined in Art. 5 para. 2 and Annex B Part I of the Minamata Convention of 10 October 2013 from the respective phase-out date specified therein,
- the treatment of mercury waste contrary to Art. 11 para. 3 of the Minamata Convention.

The production and use of chemicals pursuant to Annex A of the POPs Convention are also prohibited.

4.6 ANIMAL PROTECTION

As sentient beings, animals must be given the necessary respect and protection. Their welfare must be guaranteed. DSR Hotel Holding GmbH and its suppliers recognise that wild animals are preferably observed in the wild and that animals in captivity must have positive experiences and good living conditions.

Animals in captivity must be kept under species-appropriate conditions that allow them to behave normally and must not be mistreated or forced to behave unnaturally. The supplier must meet the minimum requirements for animal welfare, which are based on the Animal Welfare Guidelines of the British Travel Association ABTA, and commits to transparency in the verification of these requirements.

In general, the companies of DSR Hotel Holding GmbH expect their suppliers and their suppliers' suppliers to proactively develop solutions for more animal welfare and to promote their implementation. The respective nationally applicable laws on animal protection and animal welfare are to be fully complied with.

4.7 MORE ENVIRONMENTALLY FRIENDLY PACKAGING

Efforts must always be made to use even more environmentally friendly packaging. To this end, packaging must be avoided, reduced or improved in terms of its environmental effects wherever possible. These principles are to be applied in the order of priority given here - the best packaging from an environmental point of view is that which can be avoided completely. Packaging is considered to be more environmentally friendly if it is reusable, uses as little material as possible, is recyclable or consists of secondary raw materials, alternative materials or certified paper.

5. Business integrity

The supplier shall ensure that it truthfully and accurately documents its activities, group structure and performance and discloses them in accordance with applicable regulations and industry standards. The supplier shall ensure that sufficient procedures are in place to avoid conflicts of interest. The Supplier shall conduct its business ethically and without bribery, corruption or any kind of fraudulent business practices, complying at a minimum with national laws and regulations. Should the regulations of this Supplier Code of Conduct or international laws and conventions differ from local regulations, the stricter regulation shall always apply.

1 In this Supplier Code of Conduct, DSR Hotel Holding GmbH uses appreciative and gender-appropriate and gender-appropriate language. In this context, the so-called gender colon is used, which is placed after a masculine designation or the root of a word and before the feminine ending. However, for groups that are not named individually, such as „suppliers and service providers“ or „partners“, as well as for spellings established within the Group (e.g. „employee satisfaction“), the generic masculine is used

2 Policy statement on child protection currently under review by GF

3 1. freedom from hunger, thirst and malnutrition; 2. freedom from discomfort; 3. freedom from pain, injury and illness; 4. freedom from fear and suffering; 5. freedom to act out normal behaviour / Animal Welfare Policy in consultation with GF