

Policy Statement on Condor's Human Rights Strategy pursuant to § 6(2) of the German Supply Chain Due Diligence Act (LkSG)





1. Preliminary remarks

Condor Flugdienst GmbH (and its affiliated companies, together "Condor" or "we") is Germany's most popular vacation airline and has been taking its guests to the world's most beautiful vacation destinations since 1956. Every year, over nine million guests fly with Condor from the eight largest airports in Germany, from Zurich in Switzerland and Vienna in Austria to around 90 destinations in Europe, Africa and America. Condor operates a fleet of over 50 aircraft, which are maintained by the company's own maintenance organisation, Condor Technik GmbH, at its bases in Frankfurt and Düsseldorf in accordance with the highest safety standards.

Condor is fully aware of its responsibility in connection with the global exchange of products and services.

2. Commitment to human rights and environmental protection

Social responsibility has always been a high priority at Condor. Information about the ConTribute initiative can be found at <https://www.condor.com/de/unternehmen/contribute.jsp>. Condor was also a co-initiator of the four-litre campaign of the Federal Association of the German Air Transport Industry (BDL) and is committed to efficient flying: on average, Condor's aircraft consume less than three litres per passenger per 100 kilometres. Newly developed and aerodynamic winglets ensure kerosene savings of up to five per cent per aircraft. The calculation of the optimum speed and the shortest route as well as a lower weight on board thanks to lighter service trolleys also reduce fuel consumption. Condor was awarded the rating "very strong" by the magazines FOCUS and FOCUS Money for its "sustainable commitment". The award is based on a population-representative consumer survey and evaluates the ecologically and economically responsible actions of companies.

Condor is convinced that long-term business success must be in line with the needs of humans and the environment. This also requires a responsible approach to human rights and environmental risks, both through the activities of Condor itself and through the activities of Condor's direct and indirect suppliers.

Accordingly, Condor aligns its business practices with the following international standards and guidelines:

- United Nations (UN) Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- International Labour Organization (ILO) conventions and recommendations on labour and social standards
- Principles of the United Nations Global Compact (UNGC)



- UN Convention on the Rights of the Child
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- International Covenant on Civil and Political Rights of 19 December 1966
- International Covenant on Economic, Social and Cultural Rights of 19 December 1966
- Minamata Convention on Mercury of 10 October 2013 (Minamata Convention)
- Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal of 22 March 1989 (Basel Convention)

Condor condemns breaches of these standards and we are committed to ensuring that they are complied with. We have implemented guidelines and processes to ensure compliance in our business operations. These include risk analysis, procurement processes, obligating our suppliers, information and training.

3. Position in the supply chain

Due to our business activity of offering flights to around 90 destinations in Europe, Africa and America, many of Condor's direct suppliers are located in the countries of the destination airports. These are in particular:

- Airport operators whose airports are served
- Groundhandlers, who are responsible in particular for handling passengers and baggage at the destination airports as well as handling aircraft (including passenger handling, ramp handling, aircraft cleaning and operations)
- Lounge providers
- Air traffic control
- Aircraft and technical maintenance suppliers
- Fuel suppliers
- Business partners from whom aircraft and crews are leased
- Catering and equipment suppliers
- Hotels and transportation companies (logistics) for crews at the destinations
- Hardware and software suppliers
- Workwear suppliers
- Sales partners
- IT service providers
- Insurers

In view of the strict regulatory requirements for air traffic, many of the suppliers are subject to special checks and conditions in order to be able to offer their services. In many cases contracts are concluded with groundhandlers using standard contracts from the International Air Transport Association (IATA).



However, regulation also means that Condor is limited in its choice of airports and groundhandlers, firstly because in many destination countries only one or a few airports are open and only a regulated number of groundhandlers are available as potential suppliers.

Most of these services are provided by Condor's suppliers themselves, without Condor engaging other suppliers.

In some cases, subcontractors may also be engaged, which applies in particular to the following areas:

- Airport operators/groundhandling: subcontracting may occur here, for example in the areas of cabin cleaning, PRM ("Passengers of Reduced Mobility") handling or security
- Technical maintenance: aircraft weighting, non-destructive testing, cleaning
- Fuel: for example in the area of refuelling services
- Catering and equipment
- Crew hotels and logistics
- IT services

4. Description of procedures

The most important procedures by which Condor fulfils its human rights and environmental obligations are described below.

4.1. Risk management

Condor has a risk management system within the Internal Audit & Risk Management function, which also takes account of human rights and environmental risks. The role of Condor's **Human Rights Officer**, who is responsible for monitoring risk management and is in contact with the various functions in the company with which there may be interfaces with regard to human rights and environmental risks, is also assigned to this function. This ensures that human rights and environmental risks are taken into account in all central business processes. For example, the Legal department, which helps with the drafting of contractual clauses, the HR department in relation to labour law and personnel-related issues, Central Purchasing and all the departments involved in procurement and purchasing processes are regularly involved.

The Human Rights Officer reports directly to Condor's Chief Financial Officer (CFO), to whom he also reports human rights and environmental risks, any breaches of obligations and the status of LkSG risk management on an ongoing basis within the framework of the reporting line.



In addition, the Human Rights Officer provides the following information to Condor's general management at least once a year (and on *an ad hoc* basis):

- Report on human rights and environmental risks and the status of risk management
- Report on breaches of human rights and environmental obligations and notifications
- Report on annual and ad hoc risk analyses
- Results of controls and audits
- Report on the status of implementation of the LkSG, preventive measures and controls, including their further development
- Discussion of the annual report to the supervisory authority
- Presentation of the annual report on the work of the Human Rights Officer

Furthermore, the Human Rights Officer, as part of his or her responsibility for the Internal Audit and Risk Management department, is a member of Condor's Risk Committee, which also meets quarterly to discuss audit and risk management system issues and in which human rights and environmental issues are also raised.

In addition, the Human Rights Officer is a permanent member of the Audit Committee of Condor's Supervisory Board and reports to it on a quarterly basis in accordance with the agenda on risk management (including human rights and environmental issues) and on the status of implementation of the LkSG.

4.2. Analysis of human rights and environmental risks

Condor has analysed its position in the supply chain, its direct and indirect suppliers and the associated human rights and environmental risks. Furthermore, this is an ongoing process that is managed by the Human Rights Officer (Internal Audit & Risk Management).

The risk analysis uses an electronic system based on relevant indices to take into account both country-specific and industry-specific risks, as well as a database-based audit of suppliers.

In the event of specific indications of risks or concrete breaches of human rights or environmental obligations, ad hoc risk analyses are also carried out in order to identify possible weaknesses, take remedial action and improve the process. This process is also managed by the Human Rights Officer, who in turn ensures the reporting line to the management and the committees listed in 4.1.

Abstract human rights and environmental risks have arisen in the risk analysis in particular because Condor's flights also fly to countries that do not prioritise human rights and environmental risks in the same way. This may be due to political, social and economic problems over which Condor has no influence. Condor has developed a risk prevention process to reduce risks as far as possible (see 4.3).

The risk analysis is carried out at least once a year and on an ad hoc basis.



4.3. Preventive measures

In addition to the risk analysis, Condor has various guidelines, processes and initiatives that also relate to human rights and environmental protection issues and are intended to preventively support compliance with them. They include, among others:

- Code of Conduct for Employees
- Code of Ethics & Conduct for Business Partners
- Procurement Strategies and Purchasing Practices Policy
- Approval processes
- System-supported processes for reviewing and evaluating new suppliers and for regularly reviewing existing suppliers, including database-based audits that enable a country-based, sector-specific and individual risk assessment with corresponding preventive measures
- Due Diligence Questionnaire and other risk-based questionnaires
- Contract templates

Condor's own employees are informed and trained in relation to human rights and environmental protection issues based on the risks. This also includes information and training in relation to the expectations set out in this Policy Statement, the Code of Conduct for Employees and the Code of Ethics & Conduct for Business Partners.

The aforementioned guidelines and processes are set up in such a way that they implement the human rights strategy set out in this Policy Statement in the interfacing departments. This includes the development of procurement strategies and purchasing practices. The overall process prioritises in particular the careful selection of suppliers as part of the procurement processes as well as the structuring and monitoring of the contractual relationship. This process includes the following elements in particular:

- Suppliers are considered as business partners only if they fulfil the applicable legal and regulatory requirements
- Suppliers undergo a database-based audit that also takes human rights and environmental issues into account in order to define targeted preventive measures
- Suppliers are obligated on the basis of risk-based written contracts (e.g. IATA standard contracts)
- Suppliers are provided with specific risk-based information in relation to our expectations regarding compliance with applicable laws and other legal requirements (compliance), the importance of human rights and environmental obligations, how to report compliance concerns (including human rights and environmental issues), training material, guidance on how to communicate their obligations to their suppliers (if applicable). When entering into a contract suppliers must acknowledge, based on the risks, the Condor Code of Ethics & Conduct for Business Partners, which details Condor's expectations regarding compliance, including the fulfilment of human rights and environmental obligations. This also includes encouraging our business partners and obliging them via the Code, based on the risks, to comply with our standards and to implement the same in their supply chain.
- Suppliers are subject to risk-based audits



In addition, Condor participates in industry initiatives and forums that also address human rights and environmental protection issues.

The aforementioned processes are continuously developed with the responsible Condor departments and their compliance is verified annually and on an ad hoc basis within the scope of the Internal Audit & Risk Management function.

4.4. Remedial measures

If a breach of a human rights or an environmental obligation is identified in its own business area or at a direct supplier, Condor, under the direction of the Human Rights Officer and with the involvement of other relevant departments and functions as well as the bodies mentioned in 4.1, takes appropriate remedial action without undue delay to prevent, end or minimise the extent of the breach.

The decision-making process and the plan with the agreed measures are documented and their implementation is monitored by the Human Rights Officer.

4.5. Complaints procedure

Condor has set up various reporting channels for incoming complaints about human rights and environmental risks and has developed Rules of Procedure.

Reports can be submitted via the Condor SafeSpace electronic reporting system <https://safespace.condor.com/> or other listed contacts and channels (email, telephone, post). For further details see:

https://www.condor.com/eu/fileadmin/dam/pdf/rules_of_procedure_lksg_englisch_20.09.2023.pdf

Condor encourages everyone to report observed risks or breaches of due diligence obligations in the company's supply chain in relation to human rights and environmental issues.

The Compliance department (headed by the Director of Legal & Compliance) and an external trusted lawyer are responsible for implementing and developing the complaints procedure.

The effectiveness of this procedure is monitored regularly and reviewed at least once a year by the Human Rights Officer.

4.6. Indirect suppliers

Where suppliers are authorised to subcontract in individual cases, direct suppliers receive risk-based information in relation to our expectations regarding the transfer of obligations to comply with applicable laws and other legal requirements (compliance),



including the importance of human rights and environmental obligations, before entering into the contract. This includes communicating how to report compliance concerns (including human rights and environmental issues) to our Condor SafeSpace reporting centre or other listed contacts, as well as training materials.

4.7. Documentation and reporting obligations

The aforementioned processes also provide for ongoing documentation of how Condor fulfils its due diligence obligations. The documentation is kept for at least seven years from its creation.

Condor also informs the Federal Office for Economic Affairs and Export Control, via a report, on the fulfilment of the due diligence obligations enshrined in law. The report is made publicly available.

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