



# FTI GROUP

## Policy Statement on Human Rights Strategy

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## A. Management's introductory remarks

As the third largest tour operator in Europe with more than 10,000 employees worldwide, FTI GROUP ("FTI") is aware of its corporate responsibility. We are committed to our three core values of **integrity, respect and responsibility**. These values determine our daily work. We firmly believe that responsible and ethical business behaviour is crucial to building and expanding long-term partnerships and strengthening the trust of our customers, employees, and other stakeholders.

This understanding is important to us along our entire supply chain. FTI maintains business relationships in over 100 countries worldwide. Our goal is to strengthen people's rights and protect the environment, as well as to prevent and avoid violations of these rights. We want to help ensure that these fundamental rights are respected not only in our own business operations, but also in our global supply chains. Should violations nevertheless occur, we are committed to ending them or minimising their extent.

In line with our mission *Creating Journeys to remember*, we want to create positive memories through our business activities. This applies to our guests, our employees and all other stakeholders who contribute to our journeys. Respect for all internationally recognised human rights is of essential importance to us and we condemn any form of forced labour or modern slavery and any violation of children's rights. We are committed to equal treatment, a non-discriminatory environment and promote diversity and equal opportunities.

As a large company in the tourism industry, FTI is aware of its responsibility towards people and the environment, which is why we also take ethical, social, and ecological aspects into account in our business decisions.

We have set strict minimum standards for ourselves. We expect our employees and our business partners, including all suppliers, to comply with these minimum standards.

We base our actions on the following international standards and guidelines:

- United Nations - Universal Declaration of Human Rights
- United Nations - Guiding Principles on Business and Human Rights
- International Labour Organization - ILO Core Labour Standards
- United Nations World Tourism Organisation - Global Code of Ethics
- United Nations Children's Fund - UNICEF Child Rights and Business Principles

## B. Implementation of due diligence obligations at FTI GROUP

### 1. Risk Management

FTI has established a comprehensive risk management system to ensure compliance with human rights and address environment-related expectations within its own business area and along the supply chain to implement the due diligence obligations of the German Supply Chain Due Diligence Act ("SCDDA").

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The FTI Management Board bears overall responsibility for our risk management and delegates the relevant tasks to the responsible business units and functions.

The aim of risk management in relation to the SCDDA requirements is to identify human rights and environmental risks and potential negative effects of our business activities along our supply chains. This enables us to take appropriate measures to mitigate the risks and prevent or sustainably minimise them.

The relevant departments in the business units are responsible for conducting the risk analysis following the SCDDA requirements and the implementation of derived measures in their own business area and in cooperation with our partners. These are primarily touristic and non-tourism procurement, product management and the HR department. A main contact person is appointed to coordinate and implement the due diligence obligations in each business unit.

The Human Rights Officer performs the monitoring task stipulated by the SCDDA regarding risk management. To this end, the Human Rights Officer liaises closely with the relevant specialist departments and reports regularly – but at least once a year – as well as on specific occasions to the Management Board. A Steering Committee, which is chaired by the Human Rights Officer, is set up to ensure regular dialogue and the monitoring function.

The Steering Committee is responsible for monitoring and updating risk management, monitoring risks and preventive measures and checking the implementation of any necessary remedial measures. In addition, the Steering Committee receives regular reports on progress, any incidents and pending measures to fulfil due diligence obligations, which are documented in the annual report. The Steering Committee is made up of those responsible for Corporate Social Responsibility, Governance & Compliance, Talent & Culture and the designated main contact persons for the respective business units.

To monitor our effectiveness, we review our risk management and the associated processes on an annual basis and ad hoc basis. The risks prioritised as part of the risk analysis are a particular focus here.

By reviewing and monitoring risk management, we can identify changes, confirm the efficiency of existing measures, and monitor the development of additional measures. The results of the risk analysis also form the basis for adjustments to this policy statement, which is constantly reviewed to take account of any changes in circumstances and processes.

We also engage in industry initiatives and networks to ensure and continuously enhance our due diligence processes.

## 2. Risk Analysis

### 2.1. Own Business Area

To identify and assess the human rights and environmental risks in our own business area, we carry out a risk analysis on an annual and ad hoc basis.

As part of the risk analysis process, we first identify risk classes (country risk, sectors, service/delivery object, turnover) based on an abstract analysis. Various indices and values are used to calculate the country risk. The underlying risks result in a risk classification of low, medium, or high for the

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respective country and the respective service. Depending on the risk classification, a detailed check is carried out in a second step for those companies for which there is an increased risk disposition. According to a defined procedure the results are documented in the risk analysis tool.

The risks identified in this process are weighted, prioritised and analysed in terms of their probability of occurrence. The overall risk is then derived from the detailed examination of the individual companies.

Irrespective of the annual risk analysis, ad hoc risk reviews are carried out, from which preventive and corrective measures are also derived.

Based on our predominant activities in the tourism sector and as a result of our first abstract risk assessment, we are focusing in our own business area on the human rights issues of child labour, disregard of freedom of association and unequal treatment in employment as well as the environmental issue of excessive water consumption. Following the validation, assessment, and weighting as part of the first concrete risk analysis in accordance with the SCDDA during 2024, we will critically review our priorities and align our risk management accordingly.

The results of our risk analyses are continuously incorporated into relevant business processes. They play a role in the corporate decision-making process regarding supplier selection and form the basis for defining appropriate preventive and corrective measures.

### **2.2. Along the supply chain**

Alongside the risk analysis of our own business area, we conduct once a year and on an ad hoc basis first an abstract and then a concrete risk analysis on our direct suppliers to identify human rights and environmental risks. We proceed in the same way as already described for the own business area.

As we mainly operate in the tourism sector and based on our initial abstract risk analysis, in our supply chain we focus on human rights issues of child labour, disregard of freedom of association, unequal treatment in employment and forced labour as well as the environmental issues of excessive water consumption and air pollution. Following the validation, assessment, and weighting as part of the first concrete risk analysis in accordance with the SCDDA during 2024, we will critically review our priorities and align our risk management accordingly.

The aforementioned process is also carried out on an ad hoc basis for our indirect business relationships.

## **3. Preventive Measures**

FTI has implemented measures to prevent identified risks as far as possible before a damaging event occurs in order to protect those potentially affected from negative effects.

The group-wide Code of Conduct OUR WORLD, which was already adopted by the FTI management in 2022, is the overarching set of rules with behavioural requirements for all FTI employees. It defines the corporate values that should guide employees in their daily decisions. The behaviour and daily decisions

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of employees are based on the values of integrity, respect, and responsibility. This Code of Conduct is a binding component of every employment relationship at FTI and can be viewed [here](#).

Mandatory training on the Code of Conduct was introduced in 2023 to raise awareness on the topics of the Code of Conduct and help to embed them in the company in the long term.

In addition, we introduced in 2023 mandatory training on the topics of disadvantage, (sexual) harassment and discrimination. Thus, we raise awareness on these issues and fulfil the requirements of the General Equal Treatment Act.

FTI has also introduced a handbook for all employees that covers workplace behaviour standards and sets out the process for dealing with alleged unequal treatment.

FTI has taken steps to safeguard against health risks at work. It has published a Health & Safety Policy, appointed Health & Safety Managers to implement it and partners with external service providers in various destinations to regularly inspect workplaces.

FTI also expects its business partners to respect these corporate values and comply with human and environmental rights. A Business Partner Code of Conduct was published in July 2023 ensuring that business partners agree to follow certain minimum behavioural standards as part of their contracts with FTI. We expect our business partners to behave in a legal, ethical, and sustainable manner. Amongst others we expect them to pay their employees fairly, to follow working time laws, to commit to prohibiting child and forced labour, to treat their employees equally and to comply with basic environmental protection standards. In addition, we expect adherence to basic compliance principles, e.g., regarding anti-corruption, fair competition and data protection. The FTI Business Partner Code of Conduct can be viewed [here](#).

We have trained our employees to be more aware of these issues. The training provided targeted the most affected groups. These are senior managers of FTI and employees that are involved in the selection of business partners and that make contractual agreements. During 2024, the training program will be extended to all employees through an e-learning course. A standardised business partner due diligence process will pay special attention to human rights and environmental risks regarding the selection of business partners.

FTI also participates in an industry initiative organised by *Futouris* and the *Round Table of Human Rights in Tourism* to ensure efficient training of business partners. Further, FTI takes part in the *German Travel Association (Deutscher Reiseverband e.V.)* on topics such as child protection in tourism and due diligence in the supply chain.

In 2024, we intend to publish a Group-wide Child Protection Policy to safeguard childrens' rights in our own business area and throughout our supply chain, and to prevent the violation of these rights. We are dedicated to protecting children, adolescents, and adults from any kind of abuse. We closely collaborate with our partners, suppliers, and service providers to protect and promote the rights of children and adolescents.

The preventive measures are reviewed at least annually for their effectiveness and modified as needed based on the outcomes of the risk assessment.

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Findings from the processing of information received through the complaints procedure are considered in the further development of preventive measures.

### **4. Complaints procedure**

FTI has already set up a Group-wide complaints procedure in 2021, which is accessible to both employees and external parties. The reporters can choose either our electronic whistleblowing system [IntegrityLine](#) or an [email address](#) to report their concern. This allows easy, direct, and secure submission of reports. The reporting procedure can be used not only for human rights and environmental risks, but also for other issues related to compliance. Reports can be made anonymously and in the relevant local language. Regardless of the source from which a report is received, we follow up every report carefully and consistently.

Reports are processed by the FTI Governance & Compliance Team. The employees of the Governance & Compliance team are specially trained in dealing with whistleblowers, processing reports, and investigating cases. Their work is based on the principles of independence, objectivity, and impartiality.

The employees of the Governance & Compliance team are obliged to maintain confidentiality and secrecy. In particular, the confidentiality regarding the identity of whistleblowers is protected. Discrimination against whistleblowers based on a complaint made in good faith will not be tolerated.

FTI has introduced a Group-wide manual explaining how incoming reports are processed and facts clarified. In addition to the basic principles, this manual also describes the standard process in detail, which ensures a standardised, and professional investigation of incoming reports in due time. The corresponding Rules of Procedure are published on the Internet.

We encourage our employees and all other potentially affected parties to report any type of concern, as this is the only way we can improve our actions and processes and implement suitable corrective and preventive measures. Being aware about grievances is essential for an effective compliance and risk management system.

The complaints procedure is an important component for the success of the risk management system. Thus, the effectiveness of the complaints procedure is reviewed at least annually and on an ad hoc basis.

### **5. Remedial Measures**

If FTI becomes aware of the imminent occurrence of a human rights or environmental risk, appropriate measures will be taken immediately to prevent its occurrence. Violations that have already occurred are ended immediately or minimised as far as possible.

If the violation is not in our own business area but in our supply chain, we expect our direct suppliers to help us investigate and work with us closely. Thus, we can quickly take actions to stop or minimise the violation. Thereby, we support our direct suppliers to the extent possible in solving the breach and minimising risks for the future.



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In the event of serious violations or infringements and if all attempts to minimise risks have failed, no other mitigating measures are available and an increase in our influence does not appear to be promising, FTI will be forced to terminate its business relationships with individual suppliers.

If we obtain substantiated knowledge of a violation of human rights or environmental obligations by indirect suppliers, we immediately conduct a risk analysis. We support the perpetrator and the concerned direct supplier as far as possible in remedying violations and minimising risks going forward.

As part of an industry initiative moderated by the DRV, we are actively working on solutions to ensure that our due diligence processes regarding our direct and indirect suppliers are as effective and efficient as possible.

Regarding the standard process for taking immediate and appropriate corrective action with direct and indirect suppliers, reference is again made here to the Rules of Procedure.

The effectiveness of the corrective measures is assessed individually for each case. Once a year, all violations and the remedial measures taken are analysed and evaluated in their entirety.

**6. Documentation and reporting**

FTI continuously documents its efforts and measures to fulfil its due diligence obligations regarding compliance with human rights and environmental protection. This documentation is kept for seven years. The results are reported annually to the Federal Office of Economics and Export Control (BAFA), for the first time in February 2025 for the reporting period from 1 January 2024 to 31 October 2024 (end of financial year). In addition, this report will be available free of charge on the FTI website for at least seven years.

This policy statement is reviewed annually regarding the results of the risk analysis and considering possible violations in our own business area and along the supply chain and adjusted if necessary.

Munich, 20 December 2023

*Karl Markgraf*

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Karl Markgraf, Managing Director

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