

maxingvest GmbH & Co. KGaA

Due Diligence Obligations for Business Partners

Version dated: August 2023

Foreword by maxingvest GmbH & Co. KGaA's management

Dear business partners,

We have a joint responsibility for the people and the environment we impact with our actions.

It is crucial to the maxingvest Group's success that our business partners also behave honestly, with integrity, and in an ethically correct manner.

Our goal is to take responsibility for the maxingvest Group's companies' supply chains, and to protect the reputation of the Group's brands.

We are aware of our duties to society as a whole, to the individuals within it, and to the environment. We can only do justice to them throughout our supply and value chains if our business partners share the same values and objectives.

To ensure compliance with these duties, the following text sets out the minimum due diligence obligations that our business partners must observe if they are to do business with us. These due diligence obligations are supplemented by international agreements, guidelines, policy statements, and laws, which also have to be observed.

Failure by even a single business partner to comply with the due diligence obligations can cause substantial damage to the environment, to society, to us, and to other stakeholders. We expect everyone to comply with the requirements without exception. Breaches can have serious consequences for the business partner concerned and its individual members of their staff, and may also negatively impact companies' reputations.

Therefore, please ensure that you and your direct suppliers avoid potential consequences by ensuring you are familiar with the contents of this document, that your behavior reflects them, that you take them into account in your decision-making, and that you ask for qualified advice in cases of doubt.

Frédéric Pflanz
Managing Director of maxingvest GmbH & Co. KGaA

Using these due diligence obligations

These due diligence obligations are binding on maxingvest GmbH & Co. KGaA's ("maxingvest") business partners, including its asset management subsidiaries, and must be observed in both letter and spirit.

In line with this definition, the pronouns "we" and "us" and related terms, as used in the following, apply to maxingvest including its asset management subsidiaries.

This catalog of due diligence obligations applies solely to the relationship between maxingvest and its business partners. Third parties are not protected by this document and cannot assert any rights under it.

The following due diligence obligations must be accessible to all members of staff at our business partners at all times. This covers both to the ability to consult and access them locally and the language in which they are made available. If staff are unable to read, the obligations must be communicated orally and by training. In addition, our business partners must pass these due diligence obligations on throughout their supply chains, and must require their business partners to comply with them.

Vulnerable employees such as migrant and seasonal workers; young people; contract workers, contingent workers, and temporary staff; home workers; and pregnant or disabled workers must be given particular protection.

In addition to these due diligence obligations, we undertake that we and the business partners in our supply and value chain will observe a number of different guidelines and standards issued by internationally recognized organizations. These guidelines and standards are listed in the Appendix to this document. In addition, all parties must comply with the laws in force.

Any exceptions to these due diligence obligations must be approved in writing by maxingvest's management.

In cases in which the applicable laws, specific industry standards, applicable collective agreements and these due diligence obligations contain similar rules, the rules offering the greatest protection to employees and/or the environment shall apply. If one of the requirements set out in this document should prove to be invalid, this shall not affect the other sections.

Additionally, maxingvest will regularly review the due diligence obligations to ensure they are kept up to date, and shall modify them as necessary. Any changes must be made in writing and approved again by the management.

This document has been formulated in gender-neutral terms.

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I. Human rights

1. No forced labor; responsible staff recruitment

All forms of forced labor, slavery, or other forms of involuntary labor are strictly forbidden, as is the use of prison labor to produce goods. The general principles of the International Labour Organization (ILO) for fair recruitment, including the “Employer Pays Principle”, must be observed.

Employees may not be subjected to any rules restricting their personal freedom of movement. Employers may not demand that their employees deposit money or identification papers with them.

Employees are free to leave their employers after giving notice in line with the legal requirements.

The principles set out in ILO Conventions 29 and 105 must be observed.

2. No child labor; protection of young employees

School-age children and children under 15 years of age (or 14 years of age if national legislation permits this in accordance with ILO Convention 138) may not be employed. If child labor is found to exist in the contracting party’s supply chain, remedial measures must be taken and documented in writing.

In the case of small, family-run agricultural businesses, children can help on the family farm provided that the work does not impact their health, safety, wellbeing, education, or development; that they are supervised by adults; and that they receive appropriate education. In such cases, business partners shall make efforts to provide the children with access to care facilities.

Young employees aged between 15 and 18 may only be employed if the applicable statutory requirements are observed. In particular, they may not work nights and may not do any work that could harm or endanger their health, safety, or morals. Young employees must have the opportunity to participate in educational and training programs. Young people of school age may only work outside school hours and for a maximum of eight hours per day. Taken together, school, work, and transportation times may not exceed ten hours per day.

The principles set out in ILO Conventions 79, 138, and 182, and in ILO Recommendations 146 and 190 must be observed.

3. No discrimination

All employees shall be treated equally and with dignity and respect, and shall have the same opportunities. Discrimination is not permitted on the grounds of gender, age, religion, race, caste, social background, health status, disability, ethnic or national origin, nationality, membership in labor organizations (including unions), political beliefs or opinions, sexual orientation, family obligations, family status, or other personal characteristics.

The principles set out in ILO Conventions 100, 111, and 159 must be observed.

4. No abuse or harassment

All forms of physical, psychological, sexual, verbal, or other harassment, abuse, or discipline, and all forms of intimidation, are prohibited. Unwanted sexual advances, unwanted embraces and physical contact, suggestive or indecent remarks, or requests for sexual favors are prohibited at the workplace and in all facilities associated with the workplace, including means of transportation and dormitories.

Disciplinary measures may only be taken if they comply with national laws and internationally recognized human rights. Punishments are prohibited, especially in cases of sickness or pregnancy. Employees who complain about discrimination, abuse, or harassment must not suffer any form of disciplinary measures or retribution.

5. Adequate employment contracts

Where required by law, business partners must provide their employees with written employment contracts in a language and form that they can understand. The minimum components of such employment contracts, insofar as these are permitted by law or customary under industry standards are as follows: the employee's name, address and photo, their date and place of birth, function, commencement date, number of hours worked, salary and remuneration, probationary period, and vacation entitlement, details of how the employment relationship can be terminated (both by the employee and by the employer), the signatures of the employee and the employer, and the date of signature in both cases.

Where work is contracted out, it must be ensured that the business partner concerned complies with the requirements above. Oral rather than written employment contracts are acceptable in agricultural enterprises in the case of short-term and seasonal workers (less than three months) insofar as they are documented and permissible under applicable law.

6. Wages and remuneration

The wages paid for the standard working hours and overtime plus surcharges must both comply at the least with the more favorable for the employee of the statutory, sector-specific minimum standards and/or the collective agreements in force.

Wages should always meet the basic needs of employees and their families, and should leave part of their income freely available, if statutory minimum wages are insufficient for this purpose (living wages).

Employees must, at a minimum, receive all statutory social benefits from their employer, plus complete, comprehensible written information on the breakdown of their wages, including deductions, surcharges for overtime, and additional benefits. No deductions may be made from employees' wages for disciplinary reasons.

The principles set out in ILO Conventions 26 and 131 must be observed.

7. Appropriate working hours

Working hours must comply with the stricter of the applicable law or sector-specific standards. In no case may employees be required to regularly work more than 48 hours per week. The maximum working time per day may not exceed 12 hours. Overtime must be voluntary and may not be regularly required.

Employees shall have at least one day off after working six consecutive days. Exceptions to this rule are only permitted if both of the following conditions are met: a) national law permits working times above and beyond this maximum threshold; and b) a freely negotiated collective agreement exists that permits average working times, including adequate rest periods, to be determined.

The principles set out in ILO Conventions 1 and 14 and in ILO Recommendation 116 must be observed.

8. Respect for freedom of association and collective bargaining

The rights of employees to form and become members of employee representative organizations (including unions of their choice), the right to collective bargaining, and the right to strike must be recognized. Business partners are called upon to adopt a positive stance towards the right to freedom of association and collective bargaining by actively informing their workforces of these rights and being open-minded towards unions, including their organizational activities. A union presence within operating establishments must be ensured in line the applicable law at the employment location.

Where the rights to freedom of assembly and collective bargaining are restricted by law, alternative, legally permissible means of free and independent association and of collective bargaining must be allowed.

Employee representatives must be protected against discrimination, harassment, intimidation, or retribution. They must be granted free access to the employees so as to ensure that they can exercise their rights in a legally permissible and peaceful manner.

The principles set out in ILO Conventions 87, 98, and 135 and in ILO Recommendation 143 must be observed.

9. Health and safety at work

Employees must be provided with a safe and hygienic working environment. Publicly available knowledge regarding the industry, the sector, and specific dangers must be taken into account. Occupational health and safety measures must be taken to prevent accidents and injury arising in connection with work or with the operation of the business partners' plant and equipment. Workstations, working procedures, machinery, and equipment must be secured using notices, guards, and casings.

Employees must be informed of occupational safety exercises and procedures and must be trained regularly using them. Personal protective equipment of the correct size must be made available and staff must be trained in its proper use. Access to clean sanitary facilities, drinking water, and adequate rest periods must be guaranteed. These requirements apply to all social facilities and staff accommodation, where these are provided by the employer.

All employees must have the right to remove themselves from situations in which they are in material danger without having to obtain permission to do so. All pregnant women and parents with newborn children shall enjoy all protections due to them under the applicable law.

Business partners shall assign responsibility for health and safety to a senior executive and shall include employees in the analysis of health risks and hazards.

The principles set out in ILO Convention 155 and ILO Recommendation 164 must be observed.

10. Respect for land rights

Legitimate ownership and property rights and rights of use, plus corresponding rights to natural resources such as forests and bodies of water, must be respected. This includes unwritten public, private, communal, or collective rights, including indigenous and customary rights. Farmers and/or communities may not be the victim of land grabs, lose their rights due to uncertain ownership, or be driven off land that they have used for some time for agricultural purposes. If the applicable law clearly provides otherwise, rapid, adequate, and effective compensation that complies with the OECD-FAO Guidance must be made. Relevant information, including the terms and conditions governing leases and concession agreements, must be disclosed.

If indigenous peoples or communities are involved, a due diligence examination must be performed by a neutral third party to establish whether new areas of land can be taken over. The principles of free, prior, informed consent as set out in the United Nations Declaration on the Rights of Indigenous Peoples must be complied with in all negotiations.

The principles set out in ILO Convention 169 must be observed.

11. Dealing responsibly with security forces

If security forces have been engaged to protect the company or the company's property, they must have received appropriate instructions and training, and be appropriately supervised. Security forces may not violate the prohibition on torture, treat people in an inhuman or degrading manner, or contravene the right to freedom of association.

If a business partner's ability to control public security forces is limited, the partner must cooperate as optimally as possible with the security forces and the authorities, must inform them of its principles, and must encourage the public security forces to act appropriately.

II. Environment

1. Appropriate environmental protection

All applicable legal requirements relating to environmental protection must be observed and all relevant environmental approvals, certificates, and permits must be obtained and kept current. Business partners undertake to continuously minimize all environmental impacts. In particular, this means preventing any hazardous substances escaping into the environment or causing harm to people, and ensuring that environmental standards regarding changes to the soil, waste water treatment, emissions, and waste management are complied with.

Business partners are obliged to make an appropriate contribution to climate protection. This relates in particular to improving energy efficiency, minimizing resource usage (including water, mineral resources, agricultural resources, and fossil fuels). The national regulations on water protection must be observed.

Business partners are obliged to introduce an appropriate and effective environmental management system. The principles set out in the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal must be observed.

2. Appropriate chemicals management

Business partners must implement, continuously monitor, and where necessary enhance an appropriate chemical management system (CMS). This CMS must cover the entire life cycle of the chemicals used, including their procurement, storage, transportation, usage, and safe disposal. The CMS must clearly define a transparent chemical policy, including roles and responsibilities, plus detailed work instructions covering all individual steps in the use of chemicals and everyone involved. Business partners must conduct appropriate checks and regular training/issue regular bulletins on the CMS requirements for all members of staff who handle or are exposed to chemicals. Procedures for dealing with emergencies (e.g., leaks and spills) must be established.

The principles set out in ILO Convention 170 and ILO Recommendation 177 must be observed.

The ZDHC Chemical Management System Framework must be implemented where consumer goods are being manufactured. Business partners must ensure that no chemicals are used that contain substances on the ZDHC Manufactured Restricted Substances List (MSL).

In the case of agricultural enterprises, all agrochemicals must be kept away from foodstuffs, water, and children in well ventilated, locked premises. In addition, empty pesticide containers must not be reused to store food or drink, but must be returned or safely disposed of.

III. Compliance

1. No corruption

Business partners must not indulge in any type of criminal activity, and especially corruption, as well as in any activities that could be construed as such.

Business partners undertake to not to accept or furnish any payments or benefits as part of their relationships with their suppliers or office holders that are, or could give the impression of being, intended to influence business decisions or otherwise secure an improper advantage.

2. Data protection

Business partners shall take suitable measures to ensure compliance with the applicable data protection laws when processing personal data. Where necessary, more specific requirements will be set out in detail in a data processing agreement.

3. Free competition and compliance with trade laws

Business partners shall take suitable measures to ensure compliance with the applicable trade, export, and antitrust legislation. Where a dominant position (market share > 40%) exists, this may not be exploited using unfair competitive practices.

Business partners shall also ensure that their business premises and the loading and dispatch areas in which products are manufactured, stored, prepared, loaded, and transported for us are protected against unauthorized access (secure supply chain).

4. Protection of intellectual property

Business partners shall take suitable measures to protect third-party intellectual property rights. Our brands, designs, patents, trade secrets, and other property rights may not be used without written permission.

5. No money laundering

Business partners shall take suitable measures to prevent money laundering. It shall be ensured that anti-money laundering legislation is observed and that business relationships are only maintained with business partners of unquestionable integrity.

6. Taxes

Business partners shall take suitable measures to comply with the applicable tax laws. It is not permitted to engage in any business practices that have been implemented solely for tax avoidance purposes.

7. Breaches

Business partners consent to our right to obtain information about the circumstances involved in cases in which failure to comply with due diligence obligations is suspected.

In the case of severe breaches, business partners and their supply chains shall grant us access to their facilities in order to perform spot checks, unless job-related and/or legal confidentiality obligations prevent an inspection. These checks can also be performed by a third party engaged by us.

If a breach of these due diligence obligations occurs or the applicable laws are not observed, the business partner concerned shall ensure that this is cured within an appropriate period. We reserve the right in all cases to terminate the business relationship if a breach (i) cannot be cured, (ii) causes irreparable loss or damage, or (iii) is so severe that we cannot be expected to continue the business relationship until it is due to end as agreed or until the end of a notice period.

Business partners and their employees shall swiftly report breaches relating to us to the contacts given below. This applies across the entire supply chain as well. Reports can be submitted to the following channels:

- The whistleblowing system
 - <https://www.bkms-system.com/maxingvest-en>
- Responsible for human rights and environmental risk management
 - By e-mail: supply-chain-complaints@maxingvest.de

Business partners are obliged to inform their employees regularly and in a barrier-free manner about the reporting channels provided as part of the complaints process. Members of staff must be able to file complaints without being afraid of discrimination, repression, attempts at intimidation, or harassment. Our business partners should make efforts to ensure that their direct suppliers also inform their employees about the reporting channels provided as part of our complaints process, and that no reprisals are taken against people who file complaints.

IV. Appendix

- [The United Nations Universal Declaration of Human Rights](#)
- [The United Nations Convention on the Rights of the Child](#)
- [The OECD Guidelines for Multinational Enterprises](#)
- [The International Labour Organization \(ILO\)'s Fundamental Conventions](#)
- [The United Nations' Guiding Principles on Business and Human Rights](#)
- [The ZDHC Manufactured Restricted Substances List \(MRSL\)](#)