

## CSR (Corporate Social Responsibility)-Standards for the business partners of PRODUX concepts & services AG

PRODUX concepts & services AG is committed to ecologically and socially responsible corporate governance. PRODUX concepts & services AG also demands compliance with ecological, social and ethical behaviour from business partners with the following binding CSR standards.

### Principles of the business relationship

Compliance with international human rights as written down in the United Nations Universal Declaration of Human Rights of 10 December 1948, respect for core labour standards in accordance with the Declaration on Fundamental Rights at Work of the International Labour Organization of 18 June 1998, and compliance with the applicable legal system by the business partner are the basis for the business relationship with the companies of PRODUX concepts & services AG.

### CSR standards for workplaces

The business partner is responsible for compliance with human rights in its business activities. In specific terms, this means taking appropriate due diligence measures (analysing whether there are risks of violations or existing violations, taking preventive measures with regard to risks and remedial measures with regard to violations) to ensure that it complies with the following prohibitions when providing contractual services to PRODUX:

- No employment of workers who are not of the local legal minimum age. No employment of workers under the age of 15.
- Workers under the age of 18 may not be employed in the so-called "worst forms of child labour", such as working underground, under water or with dangerous tools.<sup>1</sup>
- No forced or involuntary labour. No physical or psychological punishment of workers. The ILO criteria for forced labour are decisive for the question of whether a specific situation constitutes forced labour.<sup>2</sup> No slavery<sup>3</sup>, debt bondage<sup>4</sup>, serfdom<sup>5</sup> and no human trafficking<sup>6</sup>.
- The business partner is responsible for compliance with the applicable legal regulations at the place of work regarding occupational safety in its workplaces. By setting up and applying appropriate occupational safety systems, necessary precautionary measures are taken against accidents and damage to health that may arise in connection with the activity. Particular attention must be paid to building safety and fire protection.

---

1. The worst forms of child labour are determined according to ILO Recommendation 190, No. 3 and the permissible exceptions according to ILO Recommendation 190, No. 4.

2 "ILO Indicators of forced labour", 01/10/2012.

3 Art. 1 Slavery Convention (1926).

4 Art. 1 b) Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery.

5 Art. 1 a) Ibidem.

6 Art. 3 a) Palermo Protocol (2005).

- Employees in workplaces are permitted to form or join employee organisations of their own choice without prior approval. Employee representatives must be granted free access to the workplaces of their colleagues and must be protected from discrimination. Employee organisations and their members are not to be restricted in their collective activities by the business partner.<sup>9</sup>
- Discrimination against employees in any form is not permitted. For example, discrimination based on gender, caste, skin colour, disability, political conviction, origin, religion, age, pregnancy or sexual orientation is prohibited. The personal dignity, privacy and personal rights of each individual are respected.
- All employees<sup>10</sup> must be paid in accordance with the statutory minimum wage, the applicable collective labour agreements or in accordance with the requirements for living wages. If various of these bases exist, the highest value is decisive. Living wages are wages that allow employees and their families to live in dignity and grant them all social benefits defined by applicable law. In case of doubt, the living wage should be determined according to an international standard, such as the Anker methodology<sup>11</sup>.
- Business partners must ensure that they do not cause harmful soil contamination, water pollution, air pollution, harmful noise emissions or excessive water consumption that significantly and negatively affect a person's health, their access to clean water or sanitation or the natural resources needed for the preservation and production of food. To determine the harmfulness or exceedance of the maximum permissible limits, the limits for permissible emissions specified in the regulations of the country of production or - if not available or obviously inadequate<sup>12</sup> - international standards<sup>13</sup> apply.
- When acquiring, cultivating or otherwise using land, water and resources that secure a person's livelihood, business partners must respect all applicable local, national, international and traditional land, water and resource rights, in particular for indigenous communities the free, prior and informed consent in accordance with ILO Convention 169, and ensure compliance with these rights. When engaging or requesting the use of private or public security personnel to protect a project or site, specific measures must be taken to minimise the risk of human rights violations.<sup>14</sup>
- Business partners shall not engage in activities that are not explicitly mentioned in this Code but that manifestly and seriously<sup>15</sup> violate international human rights law.<sup>16</sup>
- Business partners shall not add mercury to their products or use mercury in manufacturing processes.<sup>17</sup> Business partners shall not produce or use persistent organic pollutants and shall handle, collect and store them in an environmentally sound manner where existing stocks are present.<sup>18</sup>
- Hazardous waste must be handled properly and in accordance with local, national and international laws.<sup>19</sup>
- The management of the workplaces works continuously to improve the minimum standards (e.g. by providing accommodation that is safe for employees to stay in, access to adequate sanitary facilities, etc.) and rectifies any identified shortcomings immediately.

<sup>9</sup> Reservations imposed by local law on the exercise of these rights must be taken into account, e.g. proportionality requirements for strikes or restrictions on the right to strike for public employees.

<sup>10</sup> The term "employees" also includes self-employed persons who supply a company and informal employees, for example persons who are engaged in undeclared work in accordance with the applicable laws, who are subject to work bans or who are bogus self-employed persons.

<sup>11</sup> Anker / Anker, Living Wages Around the World, Manual for Measurement. Values calculated using this method are available for specific countries at [www.globallivingwage.org](http://www.globallivingwage.org), <https://www.living-income.com> and [www.align-tool.com](http://www.align-tool.com).

<sup>12</sup> For example, the country's regulations are clearly inadequate if the responsible German, EU or UN institutions determine their inadequacy or if the threshold values permit authorisations that are more than 50 % higher than the existing international standards.

<sup>13</sup> The standards of the competent UN bodies, i.e. the FAO and the World Health Organisation, are decisive in this respect.

<sup>14</sup> For example, the International Code of Conduct for Private Security Providers and the Voluntary Principles on Security and Human Rights could be considered.

<sup>15</sup> Whether an impairment is serious depends on its severity, reparability and likelihood of occurrence, as defined in Section 3 para. 2 no. 3 LkSG.

<sup>16</sup> This includes the rights from the UN Social Covenant and the UN Civil Covenant.

<sup>17</sup> The relevant provisions and exceptions from the Minamata Convention apply. <sup>18</sup> The relevant provisions and exceptions of the Stockholm Convention apply.

<sup>19</sup> The provisions of the Basel Convention apply.

## CSR standards for products and production

All products used by PRODUX itself and all products that PRODUX offers its customers should be of impeccable quality and origin. To this end, PRODUX concepts & services AG and its business partners jointly set high standards for reliability, product quality and product safety when selecting products and preliminary products. This includes in particular

### a. Standards that apply to all products and productions

- The business partners produce the articles in accordance with the individually agreed article specification.
- The materials required for production come from sources that fulfil the requirements of these CSR standards.
- Products are randomly removed from production by the business partner itself and tested for compliance with the agreed quality and safety standards by internal experts, such as its own laboratories, or external service providers, such as accredited and certified institutes.
- The business partner works continuously and also on its own initiative to reduce the use and consumption of resources, including water and energy, during the production of products throughout the supply chain by optimising production processes or, as far as possible, to avoid this through appropriate procedures and measures.
- The business partner shall ensure that product packaging is only used to the extent necessary to protect the respective product from damage. As far as possible, the business partner shall use environmentally friendly packaging materials, preferably consisting of secondary raw materials, and recyclable packaging materials.

### b. Supplementary standards for wood

- Wood and wood-containing products from growing areas outside the European Union bear the "Forest Stewardship Council" (FSC) or the "Programme for the Endorsement of Forest Certification Schemes" (PEFC) seal as proof of environmentally and socially responsible forestry.
- Wood and wood-based products originating in the European Union or Switzerland are certified as coming from sustainably and socially responsible managed forests. In the case of Romania, the corresponding proof must be provided by the FSC/PEFC seal.
- When procuring and processing natural stone, the business partner establishes processes that ensure responsible treatment of people and the environment. Sources of supply without appropriate, audited due diligence processes are not utilised.
- The supplier of wood and wood-containing products provides PRODUX concepts & services AG with all necessary information and documents for compliance with the Swiss Timber Trade Ordinance (HHV) and the EU Deforestation Regulation (EUDR) without restriction.

## CSR standards in the supply chain

Our business partners must communicate the requirements to their suppliers and take appropriate measures to ensure compliance with the requirements set out in this Code throughout their supply chain. To this end, business partners must make reasonable efforts to enter into agreements with their own suppliers that are similar or equivalent to this agreement. If its suppliers do not accept such an agreement, the business partner must document the reasons and make further efforts to conclude an agreement. If no agreement is reached after reasonable effort and time, the business partner shall, if necessary, examine the possibility of a change of supplier.

In the event of suspected violations and to safeguard supply chains with increased risks, the business partner shall inform PRODUX concepts & services AG promptly of the violations and risks identified and the measures taken. In the event of such a report, PRODUX undertakes to engage in constructive dialogue and to find a cooperative solution to the problem. In connection with such a report, termination of the contractual relationship due to the subject matter of the report by PRODUX can only be considered in cases of intentional and particularly serious violations by the business partner itself, unless the business partner does not cooperate with PRODUX and taking into account the regulations for remedying the grievance under section 5.

## Control and sanctions

Representatives of PRODUX concepts & services AG and commissioned third parties are permitted without restriction to check compliance with these CSR standards on site on a random basis by means of standardised audits of the workplaces. These audits require reasonable advance notice. Exceptionally, PRODUX may also carry out unannounced audits if there are substantiated indications of violations. During audits, PRODUX concepts & services AG ensures that no data protection, antitrust law or confidentiality requirements are violated.

The business partner shall endeavour to ensure that its business partners (hereinafter referred to as subcontractors) representatives of PRODUX and commissioned third parties are permitted without restriction to randomly inspect the workplaces on site by means of standardised CSR audits.

PRODUX concepts & services AG is entitled to request information on compliance with the standards from the business partner and its sub-suppliers in anonymised form to an appropriate extent for the purpose of compliance with its due diligence obligations in accordance with the Supply Chain Due Diligence Act (LkSG). In exceptional cases - where there is substantiated knowledge of possible violations on the part of sub-suppliers - this may also include randomly requesting the name of the sub-supplier for monitoring purposes. As a rule, however, anonymised information is sufficient.

In the event of non-compliance with the above standards of ecological, social and ethical behaviour, PRODUX concepts & services AG will take the following measures:

- If PRODUX concepts & services AG becomes aware of violations of the rules, PRODUX concepts & services AG will set a reasonable deadline for the business partner to bring his behaviour into line with these binding standards. The same applies if the business partner does not take sufficient care to ensure that its subcontractors recognise and comply with these regulations. During this period, the business relationship may be suspended in the event of a repeated or serious breach.  
If the business partner does not comply with the request of PRODUX concepts & services AG within the period, PRODUX may terminate the contract concerned. If the violation shows that the business partner is unwilling or unable to comply with the mandatory standards in other contracts as well, PRODUX reserves the right to terminate these contracts as well.
- If PRODUX recognises that a business partner violates the above agreement itself intentionally or through gross negligence or does not remedy violations of the rules within a reasonable period of time, PRODUX reserves the right to terminate the entire business partner relationship immediately. In any case, the contract may only be terminated for reasons agreed in this document if the negative impact that the termination of the relationship would have on the legal interests protected by the CSR standards is less than the negative impact that a continuation of the relationship would have on them. This is to be assumed if the business partner repeatedly or seriously violates the CSR standards and does not cooperate sufficiently in remedying the grievances. Termination rights for other reasons remain unaffected.
- This agreement does not establish any legal basis for rights, claims, causes of action or claims against PRODUX or the business partner for third parties.