

Declaration of principles on respecting human rights

Dear employees,

Sustainable action is in the DNA of the “buy, hold & develop” investment model of our Group. For us, sustainable development means development that meets the needs of the present without risking that future generations will not be able to satisfy their needs. Business activities can be successful in the long term only if we live up to our corporate responsibility to respect human rights.

At INDUS, each portfolio company follows its own path. But what they all have in common is their understanding of values. Sustainable action is based on balancing three pillars: economy, environment and society.

With this declaration of principles on our human rights strategy, we affirm our commitment to respecting human rights as set out in

- the International Bill of Human Rights,
- the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work and
- the United Nations Guiding Principles on Business and Human Rights.

This declaration supplements our Code of Conduct and puts it into more concrete terms with regard to human rights and good working conditions.

A system of effective processes and measures is key to the success of our activities. To this end, we are cooperating in a spirit of trust with the management teams of the INDUS portfolio companies in order to identify any risks to human rights that may arise from our business activities at an early stage and to take preventive action before they occur. We will regularly review the respect of human rights and strive to integrate such review into the companies’ processes.

We are all called upon to effectively put this declaration of principles into practice and thus steer our actions towards a sustainable future.

Thank you for your support!

Bergisch Gladbach, 21 December 2022



Dr. Johannes Schmidt



Dr. Jörn Großmann



Axel Meyer



Rudolf Weichert

COMMITMENT AND COMPLIANCE

The Board of Management of INDUS Holding AG and the management teams of the affiliated companies implement this declaration of principles. Responsibility for local implementation lies with those in charge of the respective location.

This declaration of principles has been adopted by the Board of Management. It is binding for all executives and employees of INDUS and all its affiliated companies worldwide and states points of contact to which business partners, customers and employees may turn in specific cases.

Internal Audit also ensures compliance with this declaration of principles in its audits and incorporates it in its audit criteria.

This declaration of principles is to be understood as a supplement to EU regulations and, where applicable, national laws. Subject to local legal requirements, affiliated companies as well as their employees and the members of their managing bodies are not entitled to adopt regulations that deviate from the content and requirements of this declaration of principles. In the event of conflicts between national legislation and the content of this declaration of principles, the central function will work with the respective Group company to achieve an effect that comes closest to the objective of this declaration of principles.

PROMOTION OF HUMAN RIGHTS AND GOOD WORKING CONDITIONS

Respect for people and the environment and respecting their rights is a fundamental component of responsible corporate governance at INDUS

We respect internationally recognized human rights, uphold the rights of employees and their representative bodies and protect the environment. Within this framework, we are committed, in particular, to respecting the international standards on which the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG) is based.

We prevent, end or minimize as far as possible negative impacts of our business activities on human rights. At INDUS and its portfolio companies, we work to ensure that human rights are also respected by our business partners, especially our direct suppliers. We are committed to ensuring that this is also the case at indirect suppliers and take measures to this end.

INDUS is committed to respecting internationally recognized human rights

Human rights and good working conditions

We attach importance to respecting human rights and to ensuring good working conditions not only at INDUS and our portfolio companies but also at our suppliers. We respect internationally recognized human rights and oppose exploitative working conditions.

Prohibition of child labor

We are opposed to any form of child labor as defined in the relevant conventions of the International Labor Organization (ILO).

Prohibition of forced labor

We are strictly opposed to forced or compulsory labor and any form of slavery, including human trafficking. Employment relationships are always based on voluntariness. All employment relationships may be terminated giving reasonable notice.

Freedom of association, right to collective bargaining and right to strike

We recognize our employees' right to form employee representative bodies and to engage in collective bargaining to regulate working conditions as well as their right to strike within the applicable legal framework. The formation, joining or membership of a trade union recognized under applicable law shall not be used as a reason for unjustified unequal treatment or reprisal. In organizational campaigns, we and our executives remain neutral.

We cooperate constructively with employees and trade unions. We strive to achieve a fair balance between the economic interests of the company and the interests of our employees.

Equal opportunities and protection against discrimination

We provide equal opportunities for all employees and refrain from any kind of discrimination, unless justified by the requirements of the job. We stand for the fair treatment of all employees and do not tolerate any form of discrimination or unjustified unequal treatment, e.g. on the grounds of national or ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or ideology.

Right to health and safety at work

As an employer, we ensure occupational health and safety at least within the scope of the applicable law and support the improvement of the working environment with the aim of having no work-related accidents and illnesses. Specific interim targets are defined and communicated in the non-financial report.

We promote a preventive approach, according to which occupational accidents and diseases have fundamentally preventable causes. By creating an effective culture of prevention, these causes can be eliminated and occupational accidents, injuries and diseases can be prevented or reduced. Operational safety standards are the basis for our work with the aim of preventing occupational accidents and work-related illnesses. We comply with occupational safety regulations and use the prescribed protective equipment. To achieve this, we rely on the cooperation of our employees. The occupational safety regulations also apply to employees from external companies.

[INDUS]

Working hours

At INDUS, working hours are always in compliance with the respective local legal requirements or the respective industry standards. Work breaks, appropriate limitation of working hours as well as regular paid leave must be ensured and the applicable international standards on working hours, but at least the relevant ILO conventions at the place of employment, must be complied with.

Compensation and benefits

We are committed to fair remuneration that is at least equal to the minimum wage under applicable law.

Education and qualification

We support the education and qualification of all employees. Thereby, we contribute to the employability of all employees in keeping with the concept of lifelong learning.

Human rights and environment

We acknowledge our responsibility to protect the environment. We therefore observe the human rights and environmental due diligence obligations at our portfolio companies as well as with regard to our suppliers.

We strive for an exemplary environmental and energy footprint worldwide in order to avoid or continuously reduce negative impacts on the environment.

Should any environmentally relevant incidents occur at INDUS locations, we record and eliminate any harm. Our aim is to reduce the burden on the environment caused by emissions and the consumption of resources. We also check our production activities for compliance with regulations, e.g. with regard to the collection, storage, use and disposal of hazardous substances and waste.¹

SUPPLIERS

We are committed to responsible procurement.

All suppliers are required to respect internationally recognized human rights and environmental due diligence obligations. In our terms and conditions, we reserve the right to check such compliance and to draw consequences in the event of violations, which also include legal action and may lead to the termination of the business relationship.

We aspire to place these requirements on all direct suppliers through the procurement process of the individual INDUS companies and to communicate them also along the supply chain.

¹ Minamata Convention on Mercury dated 10 October 2013, Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal dated 22 March 1989 and Stockholm Convention on Persistent Organic Pollutants dated 23 May 2001 (POPs Convention).

IMPLEMENTATION AND MONITORING OF THE DECLARATION OF PRINCIPLES ON THE HUMAN RIGHTS STRATEGY

Procedure for safeguarding and respecting human rights in four steps

To meet our human rights due diligence obligations, we implement a system whose processes check in a risk-based and systematic manner whether human rights and environmental standards are being observed in our affiliated companies (in accordance with Section 15 of the German Stock Corporation Act (AktG)) and the supply chain. We introduce measures to prevent, end or reduce as far as possible any negative impact on human rights and the environment of our business activities worldwide.

We will continuously refine this system based on the following structure.

- 1. Risk assessment**
Systematic identification and assessment of human rights and environmental risks.
- 2. Definition of measures**
Definition and implementation of measures to mitigate risks depending on the affected supply chains or affiliated companies and the greatest risks.
- 3. Review**
Evaluation of the adequacy/effectiveness of the risk assessment and implementation of measures.
- 4. Reporting**
Regular and standardized reporting.

INDUS and its portfolio companies

We have integrated our portfolio companies into our risk management system, which includes an annual human rights-related risk assessment. This risk assessment aims to identify the portfolio companies' individual risk and also considers country-specific factors.

Based on the results of this risk assessment, preventive and corrective measures are defined and implemented. Responsibility for their implementation lies with the respective portfolio company. A separate function at INDUS is responsible for designing and monitoring of the implementation.

The introduction and implementation of risk assessments are accompanied by appropriate communication and targeted training measures, in which all relevant employees are involved. To ensure the effectiveness, continuous improvement and further development, corresponding review and reporting processes are anchored and regularly performed.

Communication and announcement

This declaration of principles will be made available to all employees and their employee representative bodies in a suitable form and published on the website of INDUS Holding AG (www.indus.de/en/about-indus/corporate-governance).

Management

The Compliance department of the INDUS Board of Management is responsible for all overarching human rights activities. The responsible Board member further develops the topic together with the relevant departments, is regularly informed by the respective specialist departments about human rights activities and receives corresponding reports.

Handling violations of this declaration of principles

Employees and external third parties can use various channels to point out human rights and environmental risks as well as suspected violations of human rights-related and environmental obligations, also of an indirect supplier, and demand remedial action. These channels include, in particular, our SpeakUp whistleblowing system or the local contact persons. SpeakUp is open to all employees, suppliers and other third parties wishing to report risks or violations. Guidelines regulate the procedure and the corresponding responsibilities.

SpeakUp can be reached in various languages via the internet as well as external, usually toll-free hotlines. Where permitted by local law, anonymous reporting is also possible. There is also a central e-mail address for complaints.

Upon receipt of information, a risk-based initial assessment of the potential risk or violation will be performed. If a risk is confirmed, reasonable and appropriate preventive measures will be initiated. If a suspected violation is confirmed, reasonable and appropriate measures will be taken. If a risk or violation of this declaration is due to actions of individual employees, measures under labor law may also be taken.

Review and regular reporting

We will publicly report annually on our supply chain due diligence activities, including the disclosure of the results of the supply chain risk assessment and a description of the measures taken by us to mitigate identified risks as well as an assessment of their effectiveness.

OTHER INFORMATION

Entry into force and regular revision

This declaration of principles enters into force upon signature. No rights of individuals or third parties may be derived from this declaration of principles. This declaration of principles does not have any retroactive effect. The content and focus of the existing management systems are detailed in separate guidelines on the implementation of this declaration.

In accordance with the results of the risk analysis, this declaration of principles will be reviewed and revised regularly and as required.

Contact, inquiries and information

Questions and comments regarding this declaration of principles or other human rights-related topics may be addressed to the INDUS Compliance Board by sending an e-mail to compliance@indus.de.

Complaints or reports on non-compliance with this declaration of principles may be made to the SpeakUp system at www.speakupfeedback.eu/web/indus/de or by calling 0800 180 733.

(The German version is binding, the English version is for convenience only.)