

Policy Statement Environment and Human Rights

I. Preamble

The Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG) obliges companies within the scope of application to comply with the human rights and environmental due diligence obligations set out in Section 3 LkSG in their supply chains and thus to assume responsibility for customers, employees, society and the environment.

From January 1, 2024, this declaration of principles will form the human rights strategy for all companies in the Universal Investment Group ("Universal Investment") that fall within the scope of the LkSG and sets out human rights and environmental expectations for employees and suppliers in the supply chain.

II. Procedures for the implementation of human right- and environmental due diligence obligations

As an international fund services platform with a broad network of business partners across the industry, our business model is exposed to potential human rights and environmental risks within the global supply chain. The aim is to identify and minimise such risks at an early stage by implementing due diligence obligations.

1. Risk management

Establishment of risk management: Universal Investment has established a risk management system that is designed to ensure compliance with the due diligence obligations set out in the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG). This risk management has been incorporated as an integral part of all relevant business processes, including purchasing, Human Resources, new products, occupational health and safety processes.

Risk minimisation measures: Universal Investment implements measures that make it possible to identify and minimise human rights and environmental risks at an early stage and to prevent breaches of these obligations or reduce their extent. As part of this, internal guidelines have been expanded to include controls.

Risk management responsibilities: Universal Investment specifies whose responsibility it is within the Group to monitor risk management. While coordinators have been appointed for the operational implementation of the various due diligence obligations and the management of various topics, the risk management is monitored by the Human Rights Officer. The Executive Board receives information about the activities and results of the responsible persons on an annual basis.

Consideration of interests: When setting up and implementing the risk management system, Universal Investment takes appropriate account of the interests of employees within the supply chains and of those whose rights may be directly affected by Universal Investment's business activities or by the activities of companies in its supply chains.

2. Risk analysis in own business area and for direct suppliers

Universal Investment conducts annual and ad-hoc risk analyses to detect human rights and environmental risks in the own business area as well as of direct suppliers.

Occasions may be a significantly changed or expanded risk situation in the supply chain, for example due to the introduction of new products, projects or business areas. Findings from the processing of complaints in accordance with Section 8 (1) LkSG are also included in the risk analysis.

The risk analysis is divided into two steps. In the first step, an abstract risk analysis is carried out as part of which the country- and sector-specific risk data is considered, and specific media risks are analysed and assigned to the human rights and environmental risk positions resulting from the LkSG. Once the risks have been analysed, the identified risks are prioritised and weighted. In doing so, we are guided by the criteria set out in Section 3 (2) LkSG and take into account the type and scope of business activities, the typically expected severity and probability of a breach of duty, the ability to influence the perpetrator of a risk and the type of causal contribution to the risk or breach. Following an appropriate assessment of the risks, we immediately initiate preventive and, if necessary, remedial measures. The results of the risk analysis are communicated to the relevant decision-makers.

As part of the initial risk analysis, risks regarding occupational health and safety and discrimination were identified in our own business area and assessed as low. Appropriate measures were defined and implemented. We are also continuously improving our existing processes.

With respect to our suppliers, we have identified risks that arise from environmental positions. These are abstract risk positions that are derived almost exclusively from country risks.

3. Preventative measures

Universal Investment has drawn up a comprehensive catalogue of measures to minimise human rights and environmental risks. Universal Investment has implemented the following preventive measures with regard to its own business area:

- Publication and implementation of this policy statement
- Amendment of the existing internal codes of conduct and their regular updating
- The development and implementation of a procurement strategy and purchasing practices
- Raising awareness among employees
- Organising training courses in the relevant areas and
- Carrying out risk-based control measures to check compliance with the human rights strategy contained in this policy statement in our own business area.

Universal Investment takes risk-based preventative actions vis-à-vis direct suppliers, in particular the following ones:

- Consideration of human rights and environmental expectations when selecting suppliers
- Signing Supplier Code of Conducts with direct suppliers and, as part of this, agreeing appropriate contractual control mechanisms
- Risk-based implementation of trainings to enforce contractual assurance of the direct supplier
- Implementation of risk-based control measure on the basis of the agreed control mechanisms.

4. Remedial measures

As soon as we determine that a violation of a human rights or environmental obligation has occurred or is imminent in our own business area or at a direct supplier, we take appropriate measures to prevent or end this violation or to minimise its extent. In our own business area, the measure must lead to the cessation of the breach.

If a breach of an obligation at a direct supplier cannot be ended promptly, Universal Investment will immediately draw up a concept for ending or minimising the breach, including a specific timetable. Possible measures include the joint development of a plan with the perpetrator, joining forces with other companies in industry initiatives and temporarily suspending the business relationship.

The termination of a business relationship will only be considered if the breach of an obligation is assessed as very serious, the measures developed in the plan do not provide a remedy and the company has no other milder means at its disposal.

Universal Investment reviews the effectiveness of the remedial measures once a year and on an ad hoc basis. Occasions may include significant changes in the risk situation due to new products, projects or business areas. Findings from the processing of information in accordance with Section 8 (1) LkSG are included in this review. The measures are updated immediately if necessary.

5. Complaints procedure

In addition to comprehensive preventive measures, we provide a complaints procedure in order to recognise potential human rights and environmental risks at an early stage. Our rules of procedure for the complaints mechanism explain in detail how employees, suppliers and other third parties can report violations confidentially and anonymously and how these complaints are processed.

6. Indirect suppliers

As soon as we obtain substantiated knowledge of a possible breach of a human rights or environmental obligation by indirect suppliers, we will immediately carry out a risk analysis, introduce appropriate preventive measures or develop a plan together with the perpetrator to prevent, end or minimise the breach of obligation.

7. Documentation, storage, and reporting

The fulfilment of the due diligence obligations is documented on an ongoing basis and the documentation is retained for seven years from the date of creation. Universal Investment will report once a year on the fulfilment of the due diligence obligations in the previous financial year. The report will be made available to the Federal Office for Economic Affairs and Export Control (BAFA) and published online on Universal Investment's website.

8. Effectiveness control

Universal Investment will review the effectiveness of the preventive and remedial measures we have defined and the complaints procedure at least once a year and on an ad hoc basis.

9. Continuous development

Universal Investment continuously endeavours to improve its own processes with regard to risk analysis, preventive and remedial measures and the complaints procedure.

This policy statement is updated at least once a year after the risk analysis has been carried out, as well as on an ad hoc basis.

III. Human rights and environmental expectations of employees and suppliers

In diesem Zusammenhang bekunden wir, Universal Investment, unser Engagement für die Einhaltung und Wertschätzung der folgenden internationalen Standards:

In this context, we, Universal Investment, express our commitment to compliance with and respect for the following international standards:

- Universal Declaration of Human Rights of the United Nations of 10 December 1948
- Children's Rights and Business Principles of UNICEF of June 2019
- Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation, including the core conventions of 1998, last amended in 2022
- Ten Principles of the Global Compact of the United Nations
- United Nations Guiding Principles on Business and Human Rights (UNGPs) of 1 January 2012
- Minamata Convention on Mercury of 10 October 2013 (Minamata Convention)
- Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (POPs Convention), last amended by the decision of 6 May 2005 as well as
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989, as last amended by the Third Ordinance amending Annexes to the Basel Convention of 22 March 1989 of 6 May 2014.

These standards are firmly anchored in our business activities and corporate culture. Universal Investment is committed to upholding them along the entire supply chain.

Our commitment to ethical behaviour and sustainability creates long-term value and ensures that our company remains competitive and sustainable in a changing world. Embedding these values and standards in our corporate culture is the basis for our responsible behaviour towards our customers, shareholders, employees, and business partners.

This declaration of principles was issued by the management of Universal Investment. The involvement of the Works Council was an integral part of this process.

Contact

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