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1. Introduction – Purpose of this Code of Conduct

Due to the Act on Corporate Due Diligence Obligations in Supply Chains (“Lieferketten- Sorgfaltspflichtengesetz”) applicable as of January 2023, and an EU Directive on the supply chain to be expected in the future, MAGNESIA is increasingly requested to deal with minimum requirements on human rights, working conditions and the environment in the countries of origin/supplier countries. Customers expect compliance with such standards in the countries of origin of the goods to be controlled by the subsequent participants in the supply chain, and the legislator expects efforts to be directed towards this.

The sector of human rights, working conditions and environment (section 3 A and B of this CoC) is covered by the German due diligence legislation. With a view to competitive behaviour and sustainability (section 3 C and D), business partners have been requesting information, confirmation or commitments for quite some time, so those topics has also been included in this CoC.


2. Objectives according to international conventions

- **Human rights including fundamental labour standards**
(in particular: [ILO Conventions](#) No. 29, 87,98,100,105, 111,138,182), as well as
- **Fair and favourable working conditions**
(in particular: ICESCR = [UN Social Covenant Art.7](#))
- **Environmental protection**
[Minamata Convention](#) - protection against mercury emissions, [Stockholm Convention - protection against the negative effects of persistent organic pollutants.](#) - protection against the negative effects of persistent organic pollutants.
- **Proper competitive behaviour**
(in particular: [OECD Guidelines](#) for Multinational Enterprises and [UN Anti-Corruption](#) Regulations)
- **Sustainability** (17 UN [Sustainable Development Goals](#) (SDGs), insofar as these are listed as requirements and criteria under **section 4** below).

3. Requirements for suppliers/manufacturers

A. Human rights, minimum labour standards, working conditions

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The supplier/manufacturer ensures that the following is practised in his company and establishes a **system at management level for monitoring, receiving complaints and remedying violations:**

- Living wages are paid that are at least in line with national legal requirements or industry standard remuneration and allow workers and their families to live in dignity under decent living and housing conditions.
- **Compliance with working hours:** The working hours and break times provided for under ILO Conventions and applicable national law, as well as regulations on working at night, are observed.
- **Safe and hygienic workplaces:** There is a safe and hygienic working environment in compliance with and in strictest observance of the national official regulations applicable to the company. Employees are regularly instructed and trained on occupational health and safety measures.
- **Health-endangering and hazardous activities:** The handling of substances hazardous to health is only carried out by specially qualified personnel in compliance with national regulations.
- **Employment of minors:** Employment of people under 15 years of age does not take place. Health-endangering or hazardous activities may only be carried out by specially trained employees who are at least 18 years old.
- **Forced and compulsory labour**, i.e. activities that are carried out under the threat of a serious evil and/or the withholding of personal official documents, are prohibited. This also applies to the use of non-affiliated personnel.
- The **freedom of association** and the **right to collective bargaining** of workers shall be respected.
- **Data protection:** Compliance with applicable privacy and data protection laws to protect the confidentiality of the data and the rights of their suppliers, customers and employees.
- **Prohibition of discrimination:** Workers shall be treated with dignity and respect. It is ensured that no one is discriminated or subjected to any risk due to race, skin colour, ethnic origin, nationality, gender, age, disability, political opinion, membership in a trade union or comparable interest group. In particular, the payment of unequal remuneration for work of equal value is regarded as unequal treatment.
- **Prohibition of internal measures:** Workers shall not be disciplined or discriminated for claiming rights under the ILO Standards, or for complaining about violations to the management, authorities or advocacy groups.

B. Environmental protection

The supplier/manufacturer shall ensure, through **appropriate internal and organisational measures**, including regular monitoring, verification and documentation, that in his company

- emissions of **mercury** are prevented or reduced in accordance with national legislation, using best available techniques and best environmental practices,
- biodiversity is conserved and used sustainably, waters are protected, deforestation is combated and land use is managed.
- chemicals listed as **persistent organic pollutants** in the annexes to the actual applicable version of the Stockholm Convention, are not stored, used, or applied in production, in accordance with national legislation related thereto,
- national legislation for the **protection of the environment** is observed and implemented in industrial production facilities and warehouses of the manufacturer/supplier, in accordance with the state of the art available at the time, to prevent environmental damage from all forms of emissions and effluents,

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- internationally defined **climate goals** are observed and implemented in accordance with national legal provisions, and suitable industrial facilities exist for this purpose or are retrofitted accordingly, based on suitable internal planning and specifications.

C. Proper competitive behaviour

The supplier/manufacturer shall **ensure through appropriate internal measures and procedural instructions** in compliance with applicable national law, also vis-à-vis the members of his management, that in his company

- generally applicable rules of fair competition are observed, and the corresponding national legal provisions are complied with,
- price agreements and agreements on conditions between competitors are avoided,
- any form of influence by third parties on business/commercial or strategic decisions, e.g. through bribery or the granting of advantages, is rejected,
- any form of influence on third parties, e.g. through bribery or the granting of advantages, is refrained from.

D. Sustainability

The supplier/manufacturer shall ensure that

- the purchase of raw materials for production is carried out in a resource-conserving manner and in compliance with the applicable national regulations,
- the use of raw materials and operating materials is designed in such a way that unnecessary material consumption is avoided,
- operational facilities and production processes are designed in such a way that the consumption of energy and water is reduced as much as possible with regard to the "environmental footprint",
- environmental emissions are avoided as far as possible in accordance with the state of the art,
- waste materials are recycled as far as possible in accordance with national regulations.

4. Verification of compliance with the CoC requirements


Upon **request by MAGNESIA**, the supplier/manufacturer **proves compliance with the requirements under section 3 A to D** by

- providing requested documents,
- producing any required documentation,
- providing information and, if necessary, preparing reports,
- making reliable statements,
- allowing verification in the form of questionnaires,
- allowing certifications to be carried out,
- allowing audits and inspections to be carried out in presence or by remote communication,

to the extent necessary for MAGNESIA to meet the information requirements in the supply chain.

5. Remedial measures to be taken by the supplier/manufacturer

If MAGNESIA becomes aware, from the documentation and information or through a third party, of circumstances that indicate non-compliance or insufficient implementation of the requirements referred to in section 3 A to D, MAGNESIA shall request the supplier/manufacturer to take remedial action and shall require evidence/reports of actions taken.

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6. Procedure in case of non-compliance with this CoC

MAGNESIA assesses the supplier/manufacturer on the basis of an internal assessment scheme e.g. taking into account

- the previous experience with the supplier/manufacturer with regard to compliance and implementation of this CoC so far,
- the nature of the areas covered by section 3 A to D,
- the past experiences with corrective actions required under section 3,
- the information and statements obtained under section 4,
- the existence or absence of the confirmation required under section 7,

in order to determine, whether a future cooperation is possible or whether the existing cooperation should be discontinued or terminated prematurely.

7. Confirmation from the supplier/manufacturer

Upon request by MAGNESIA, the **Supplier/Manufacturer** confirms in a legally binding manner that it is **committed to the objectives of this CoC as stated in Section 2**, meets the **requirements stated in Section 3**, complies with the **requirements stated in Section 4**, takes all necessary **corrective actions as stated in Section 5** and has taken note of the **procedure described in Section 6**.

Please click [here](#) to proceed to our code of conduct confirmation and supplier questionnaire.

8. Change History

Version	Valid from	Changes	Reason
01	01.04.2023	- First creation	- Requirement for business partners to comply with environmental protection and human rights along the supply chain