

Heraeus



Heraeus Code of Conduct

VERSION 10/2018

1. PREAMBLE

The Heraeus Group (“Heraeus”) is a highly-respected, family-owned international company that enjoys an excellent reputation throughout the world. Its operations are governed by this Code of Conduct (“Code”), which is an integral part of our responsibility-conscious management structure. This Code applies to the employees, officers and directors (“Employees”) of all Heraeus organizations worldwide. Compliance with the principles described in this Code ensures and preserves our long-term business success.

Furthermore, compliance with all binding statutory requirements at national and international level, with the Universal Declaration of Human Rights and with the regulations of the organizations of which Heraeus is a member, forms the basis of all corporate and business activities at Heraeus.

It is the Employees’ responsibility to know and understand the laws and internal rules applicable to their job responsibilities, to comply with the letter and spirit of these laws and rules and to perform their activities in an ethical manner. Furthermore, Heraeus expects its Employees to critically examine if their behavior could be considered as unethical or harmful to the reputation of Heraeus.

Failure to comply with this Code will not be tolerated and may result in appropriate disciplinary action by the employer.

2. ENSURING FAIR COMPETITION

Heraeus expects its Employees to comply with the applicable laws for the protection of fair and open competition. The applicable statutory provisions generally prohibit agreements with competitors on prices and conditions, agreements with competitors for the purpose of market or customer allocation, concerted actions with competitors with respect to prices, conditions, markets or customers, as well as unfair practices. As a general rule, the exchange of sensitive market information, in particular strategic information, with competitors is also prohibited.

3. THE FIGHT AGAINST CORRUPTION

Heraeus is convinced of the quality of its products and services and of the performance and skills of its Employees. Heraeus strictly prohibits all forms of direct or indirect bribery of business partners and public officers. Consultants and distributors must not be taken advantage of for granting undue favors to business partners or public officers.

The Guideline for the Prevention of Bribery in Commercial Transactions and the Guideline for the Conclusion of Consultancy and Distribution Agreements contain principles for the granting of business courtesies and the conclusion of consultancy and distribution agreements which all Employees must observe. Heraeus Medical Employees must observe supplementary rules when dealing with doctors and

hospitals which are laid down in the Heraeus Medical Code of Conduct.

Employees of Heraeus are prohibited from demanding or receiving business courtesies or from accepting the promise of such business courtesies as consideration for the purchase of products or services. The Guideline for the Procurement of Products and Services contains rules of conduct for the acceptance of business courtesies from business partners.

4. THE FIGHT AGAINST MONEY LAUNDERING AND TERRORISM FINANCING

Compliance with the national and international provisions on the prevention of money laundering and terrorism financing and the responsible handling of precious metals throughout the entire supply chain (upstream and downstream) are of high importance for Heraeus. Heraeus has issued the Guideline for the Prevention of Money Laundering as well as the Sustainable Sourcing Guideline which set standards for the selection and monitoring of customers. Heraeus regularly engages auditors to confirm Heraeus’ compliance with the standards laid down in the London Bullion Market Association Responsible Gold Guidance.

Heraeus is determined to prevent itself from being exploited for illegal purposes, in particular for money laundering, criminal tax evasion or any other fiscal offenses. Heraeus has established adequate standards and processes to reduce the risk of exploitation for illegal purposes and to provide appropriate training and support to its Employees.

5. AVOIDANCE OF CONFLICTS OF INTEREST

All Employees have an obligation to act in the best interests of Heraeus. Employees should avoid any activity, interest, or association outside of Heraeus that could impair their ability to perform work objectively and effectively or that could give the appearance of interfering with their responsibilities performed on behalf of Heraeus or its clients. Employees must reveal existing or potential conflicts of interest to their supervisors, the relevant HR department or the responsible Compliance Officer.

Secondary employment at companies of competitors, customers or suppliers, as well as financial investments in such companies which exceed a limit of one percent (1%) are subject to the express written consent of the Group Management Board. Financial investments (greater than 1%) by close family members must be notified to the Group Management Board.

Favoritism to specific business partners undertaken for the furtherance of private interests, in particular favoritism to family members, is prohibited. Even the appearance of favoritism for the furtherance of private interests must be avoided.

6. COMPLIANCE WITH THE BASIC PRINCIPLES OF NATIONAL AND INTERNATIONAL TRADE

Heraeus adheres to all national, multinational and supranational foreign trade regulations. All Employees are obligated to adhere in particular to the applicable export and import prohibitions, official approval requirements as well as the applicable duty and tax requirements.

7. HUMAN RIGHTS

Heraeus guarantees the observance of universally recognized human rights and has issued the Heraeus Human Rights Policy which supplements this Code.

Heraeus also expects its suppliers to ensure safe and fair working conditions. Suppliers are selected and monitored in accordance with the provisions of the Heraeus Sustainable Sourcing Guideline.

Heraeus is committed to protecting its Employees and to creating and maintaining a safe and attractive work environment for its Employees. Heraeus seeks to provide fair remuneration and reasonable working hours to its Employees in each country, and rejects all forms of forced labor and child labor.

Heraeus reasonably ensures that tantalum, tin, tungsten and gold contained in the products manufactured by Heraeus do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human right abuses in the Democratic Republic of the Congo or any adjoining country. Heraeus exercises due diligence with respect to determining the source and chain of custody of these minerals and makes its due diligence measures available to customers upon request.

8. CREATING AND MAINTAINING SAFE WORKING CONDITIONS

Heraeus seeks to preserve and promote the health of its Employees and therefore aims at maintaining a high level of occupational safety at all Heraeus production locations. Heraeus expects its Employees, especially its executives, to be committed to ensuring occupational safety at all times.

9. PROTECTION OF COMPANY ASSETS

The commercial success of Heraeus is based on the innovative ability of its Employees and the knowledge acquired over many decades.

Proprietary and confidential information generated and gathered in connection with our business operations is a valuable asset. All Employees are required to ensure that business or trade secrets of Heraeus and of its business partners do not become known outside of Heraeus. The unauthorized disclosure of business or trade secrets to third parties or their unauthorized use for personal purposes is not permitted.

Heraeus expects its Employees to treat the assets of Heraeus responsibly, and to make commercially

sound business decisions on the basis of risk-benefit analyses. This also includes the careful verification of the integrity of Heraeus business partners and the private individuals who support the business partners' companies. Heraeus also places great value on the integrity of its Employees. Depending on the type of business and an Employee's work location or function, it may be necessary to review the Employee's financial situation and personal integrity.

All documents of Heraeus, including in particular financial reports, research reports (external use) and accounting documents and invoices (internal use), must reflect the relevant facts correctly and transparently.

Unless expressly otherwise provided in their employment agreement or authorized by a supervisor, Employees are not permitted to use business resources for personal purposes. In particular, Employees are not allowed to use Heraeus IT systems to view, store, or forward unlawful, offensive or other inappropriate pages or messages.

10. ENVIRONMENTAL AND PRODUCT SAFETY; USE OF NATURAL RESOURCES

Heraeus' activities are based on compliance with the applicable regulatory requirements for environmental protection and workplace safety. Heraeus has established processes and standards for ensuring legal compliance as part of its responsibility management.

Heraeus is committed to a respectful treatment of the resources of nature. With its innovative products for environmental protection, Heraeus makes an important contribution to the long-term protection of the foundation of human life. Heraeus regularly publishes Sustainability Reports on the achieved sustainable growth. Heraeus places the highest requirements on the quality and safety of its products over their entire lifecycle.

11. PREVENTION OF DISCRIMINATION

Heraeus expects its Employees to respect different outlooks on life and cultural or country-specific characteristics when dealing with other Employees (including former Employees), applicants and business partners. Heraeus strives to provide a workplace and a working environment in which discrimination and sexual harassment are not tolerated, and where everyone has an equal opportunity to work, advance, and contribute to our success. Heraeus selects, develops, promotes and compensates Employees, including former Employees, applicants and business partners based on objective and comprehensible criteria, without distinction or discrimination on account of age, color, national origin, race, religion, gender, physical or mental disability, or any other legally protected personal characteristic.

12. DATA PROTECTION

Heraeus respects the personal rights of its Employees and business partners. Heraeus collects, processes and uses personal data of its Employees and business partners only in accordance with the applicable data protection regulations. Personal data are kept safe and are appropriately protected against unauthorized access. Heraeus expects its Employees to observe the applicable rules on data protection.

13. DEALING WITH THE MEDIA

The provision of information to the public, including the media, in a transparent and consistent manner facilitates dialog and strengthens the world-wide image of Heraeus. Official statements on behalf of Heraeus, in particular statements to the media, may only be made by authorized Employees. Further rules for the interaction with the media are laid down in the Guideline for Public Relations and for the Use of the Intranet (Heraeus Portal).

14. HERAEUS COMPLIANCE SYSTEM

The Group Management Board has appointed Compliance Officers (COs) for the individual companies of the Heraeus Group. In addition, a chief Heraeus Compliance Officer (HCO) has been appointed who assists the COs of the individual companies in the implementation and monitoring of the Code. The HCO directly reports to the CEO.

The Responsibility Office, which was established in 2016, supports existing organizations such as EHS, Global Trade Compliance, Data Protection and Supply Chain Management in establishing reliable and efficient structures and processes and ensures a regular exchange between the Group Management Board, the HCO, the COs and the heads of EHS, Tax, Customs and Export Control, Global Trade Compliance, Data Protection and Internal Audit.

Heraeus has introduced a uniform training concept throughout the Group with the intention to inform Employees in an appropriate way about the Heraeus compliance system and to make them aware of the legal provisions and internal guidelines relevant for their respective field of activity.

Employees may direct any inquiries about the content or interpretation of the Code or any reports of violations of the Code to their respective supervisors or the responsible CO. The following additional options are available to submit a report:

- Report the violation via our whistleblower system ("[SpeakUp](#)"), anonymously if desired
- Contact
 - external ombudsman of Heraeus, attorney
Dr. Rainer Buchert
(telephone hotline: +49 (6105) 921355)
(E-Mail: dr-buchert@dr-buchert.de)
or
 - Chief Compliance Officer Heraeus Group,
(telephone hotline: +49 (6181) 35-5500)
(E-Mail: heraeuscomplianceofficer@heraeus.com).

We protect every employee who submits a substantiated report of a (potential) compliance violation through the established reporting channels. If employees attempt to prevent whistleblowers from reporting by using reprisals, such as exerting pressure or threatening with consequences, they will be sanctioned by us.