

Heraeus



Heraeus Human Rights Policy

HUMAN RIGHTS
VERSION 10/2018

1. INTRODUCTION

As a family-owned company with a history of more than 160 years, Heraeus commits to the principle of sustainability and the observance of universally recognized human rights. Heraeus commits to treat its employees, including temporary hires and migrant workers, and all individuals in other types of employment relationships, with respect and dignity. Heraeus also expects its customers and suppliers to respect the human rights of their employees.

2. REFERENCE REGULATIONS

- Universal Declaration of Human Rights;
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the corresponding fundamental Conventions;
- UN Guiding Principles on Business and Human Rights;
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

3. PRINCIPLES AT HERAEUS

Heraeus is committed to compliance with the following principles:

a. Prohibition of child labor

Children may not be employed below the minimum age for admission to employment permitted by applicable law.

The minimum age for admission to employment must not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years, as set out in ILO Convention No. 138, or, where permitted under applicable local law, not less than 14 years.

aa. Hazardous work

Heraeus does not tolerate the employment of minors below the age of 18 for hazardous work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety, customs or lifestyles.

Where a minimum age of 16 years is permitted under local law for admission to employment in hazardous conditions, especially in connection with professional education, Heraeus will tolerate the employment of minors only if the health, safety, customs and lifestyles of the minors involved are protected in every respect and the minors have received appropriate specific instructions or professional training in the corresponding field of activity.

bb. Worst forms of child labor

Heraeus does not tolerate the worst forms of child labor¹.

b. Prohibition of forced labor

Heraeus denounces, and does not tolerate, any form of forced labor as defined in ILO Convention No. 29, including slave labor, labor exacted under threat of penalty or involuntary labor. The employees' freedom of movement must not be restricted in an inappropriate manner. Employees must always be free to terminate their employment relationship observing the agreed notice period. Heraeus, and any of its agents or other third parties acting on behalf of Heraeus, may not withhold, seize or destroy identity cards, passports, immigration documents or licenses of employees unless such withholding, seizure or destruction is required by applicable law. Employees must not be required to pay to Heraeus, or any of its agents, recruitment fees or similar fees which, in aggregate, exceed one month's salary.

c. Working hours

Working hours must not exceed the limits prescribed by applicable local law. Without prejudice to the provisions of local law, the weekly working time, including overtime, must not exceed 60 hours. Exceptions are only acceptable under extraordinary circumstances or in case of emergency. Employees are entitled to at least one free day per week.

d. Salary and social benefits

The salary and social benefits must be at least in accordance with the minimum legal standards applicable in the country where an employee performs work for Heraeus. Overtime must at least be remunerated in compliance with the applicable laws and regulations. Heraeus employees are entitled to a conclusive and verifiable salary statement substantiating payment of the agreed salary by Heraeus. Temporary hires may only be recruited in accordance with the provisions stipulated in the applicable laws and regulations.

e. Humane treatment of employees

Brutal or inhuman treatment of employees is prohibited. Moreover, harassment of any type, corporal punishment and mental or physical coercion are considered as inhuman treatment and will therefore not be tolerated.

f. Non-discrimination

Heraeus denounces, and does not tolerate, any form of discrimination, harassment, retaliation or prejudice (disadvantage) on grounds of race, color, national origin, ancestry, citizenship status, gender,

religious or philosophical belief, handicap, age or sexual identity, sexual expression, marital status, medical condition, and any other characteristic protected by countries where Heraeus acts as employer.

In particular, Heraeus does not tolerate any form of discrimination in the workplace in relation to hiring, remuneration, overtime, access to training, promotion, termination of employment and retirement.

g. Freedom of association and collective bargaining

Within the limits permitted by applicable mandatory law, all employees are free to set up or join trade unions or equivalent representative organizations and to exercise their right to collective bargaining.

h. Workplace safety

All employees, in particular managers, must comply with the mandatory rules and regulations on safety in the workplace and in employment so as to ensure overall safety. Heraeus offers a working environment that allows employees to report inappropriate or unsafe working conditions to the Heraeus management without fear of discrimination or retaliation.

4. HUMAN RIGHTS DUE DILIGENCE IN THE PRECIOUS METALS SUPPLY CHAIN (UPSTREAM AND DOWNSTREAM)

Heraeus reasonably ensures that the precious metals in its supply chain originate from legal and ethical sources, that the precious metals are not associated with crimes, armed conflicts or human rights abuses and that they will not be used for money laundering, financing terrorism, tax evasion, fraud or any other crime.

a. Objectives of human rights due diligence

Human rights due diligence at Heraeus is an integral part of Heraeus' general due diligence process and its objective is:

- to identify and assess the risk of violation of human rights;
- to prevent and mitigate the negative impact of the detected risks if these risks are directly or indirectly linked to the activities of Heraeus;
- to manage the negative impact of the detected risks if the impact derives from direct or indirect activities of Heraeus.

Heraeus places the highest requirements on the quality and safety of its products over their entire lifecycle.

b. Monitoring observance of human rights

In order to verify the observance of human rights by Heraeus' contracting partners in the precious metal supply chain, a due diligence process has been established at Heraeus which includes, without limitation, the following measures:

aa. informing contracting partners of the applicable Heraeus human rights policies;

bb. verification of the contracting partners' compliance with local human rights laws by way of document analyses;

cc. performance of site visits (mines) and, if possible, of guided interviews with employees, to assess the employees' work situation and workplace conditions unless independent third-party reports are available;

dd. provision of clarifying statements in the event of doubts and/or suspicions regarding the violation of human rights;

ee. refusal to enter into a new business relationship, or termination of an existing business relationship, if unacceptable violations are detected which cannot be resolved or corrected and which are inconsistent with the principles adopted by the Heraeus Group.

c. Frequency of human rights due diligence checks

A human rights due diligence, which is part of the monitoring process described under 4.b. above, must be carried out before entering into new business relationships. The relevant due diligence checks and investigations must be repeated in the course of the business relationship at intervals corresponding with the individual risk or whenever changes regarding the risk of human rights violations become known.