

Sustainability policy and ethical principles for suppliers

Julius Hoesch GmbH & Co KG is committed to the central human rights, labour rights, environmental protection and the fight against corruption in all its corporate activities.

This also includes establishing sustainable relationships with our suppliers.

We expect our suppliers to comply in their activities with the applicable national laws, the principles of the United Nations Global Compact and this Sustainability Guideline of Julius Hoesch for suppliers.

1. Dealing with employees

Julius Hoesch expects its suppliers to comply with the basic labour rights of the applicable national legislation. In addition, Julius Hoesch expects its suppliers to comply with the core labour standards of the International Labour Organization (ILO), taking into account the laws and legal forms applicable in the various countries and locations.

1.1. Child labour

Child labour in the sense of the ILO conventions and the exploitation of children as well as the support of child labour and the exploitation of children by suppliers are not tolerated. The minimum age for gainful employment is 15 years or the legally required minimum age applies if this requires a higher age than 15 years.

1.2. Human Rights

The supplier respects and supports the observance of internationally recognized human rights and ensures that it does not participate in human rights violations.

1.3. Forced labour and human trafficking

All forms of forced or compulsory labour and involuntary prison labour shall be prohibited by the supplier. Participation in human trafficking, use of force, use of involuntary or slave labour is prohibited.

1.4. Discrimination and equal opportunities

Julius Hoesch expects its suppliers to promote equal opportunities and equal treatment and to prevent discrimination in the hiring of employees and in the promotion or granting of training and further education. No employee may be discriminated against on the basis of gender, age, skin colour, culture, ethnic origin, sexual identity, disability, religious affiliation or belief.

1.5. Health and safety at work

Julius Hoesch expects its suppliers to comply with the applicable national health and safety legislation.

1.6 Remuneration and working hours

Remuneration and social benefits shall be provided in accordance with the basic principles on minimum wages, overtime and statutory social benefits. Working hours shall be determined in accordance with applicable laws and standards in the industry or relevant ILO conventions.

1.7 Freedom of association and collective bargaining

Julius Hoesch expects its suppliers, in accordance with national legislation, to respect the rights of employees to establish employee representation and collective bargaining.

2. Conduct in a business environment

2.1 Product Safety

The supplier's products and services do not endanger people or the environment and meet the agreed or legally required standards with regard to product safety. The supplier shall communicate information on safe use accordingly

2.2 Corruption and bribery

Julius Hoesch expects its suppliers not to tolerate corruption and to ensure that their companies comply with the United Nations (UN) and Organisation for Economic Cooperation and Development (OECD) conventions on combating corruption and the relevant anti-corruption laws. In particular, they shall ensure that their employees, subcontractors or representatives do not offer, promise or grant any advantages to employees of Julius Hoesch or third parties related to them with the aim of obtaining an order or other preferential treatment in business dealings.

2.3 Fair competition

We do not tolerate any actions, agreements or understandings that restrict competition in any way. Suppliers will neither participate in agreements with competitors that violate antitrust law nor will they abuse a potentially dominant market position.

2.4 Money laundering

Our suppliers comply with the relevant legal provisions for the prevention of money laundering and do not participate in money laundering activities.

2.5 Avoidance of conflicts of interest

A conflict of interest is a situation in which there is a risk that secondary interests of a personal or institutional nature will jeopardise the primary interests. Suppliers of Julius Hoesch make their decisions relating to business activities with Julius Hoesch solely on the basis of objective criteria.

2.6 Protection of intellectual property

Our suppliers respect the intellectual property rights of third parties.

3. environmental protection

3.1 Careful use of resources

The Supplier shall reduce the consumption of raw materials to a minimum in every business activity. In particular, he shall ensure that energy and water are used sparingly. Preference shall be given to the use of renewable resources, where this is possible.

3.2 Prevention and reduction of environmental pollution

The Supplier shall reduce any emissions to a minimum in accordance with the state of the art. He shall control polluting emissions and process them before releasing them into the environment. The supplier should avoid or recycle waste as far as possible. The materials used should be reused whenever possible. The supplier shall develop procedures that regulate the transport, storage, safe and environmentally friendly treatment and disposal of waste.

3.3 Avoidance of hazardous substances

Substances that pose a risk to humans and the environment when released should be avoided as far as possible. The supplier shall also introduce a hazardous substance management system to ensure safe use and transport as well as safe storage, reprocessing, reuse and disposal.

3.4 Environmentally friendly products

When developing products and services, the supplier shall ensure that their use is economical in the consumption of energy and natural resources. The products should continue to be suitable for reuse, recycling or safe disposal.

4. conflict-free origin of minerals

Suppliers must be aware of a possible link between the production of raw materials and armed conflicts or gross human rights violations. If minerals are sourced from conflict regions or high risk areas, the OECD Guidelines on Due Diligence for Responsible Mineral Supply Chains for minerals from such regions must be followed.

Conflict Minerals currently include columbite-tantalite (coltan), cassiterite, gold, wolframite and their derivatives, limited to tantalum, tin and tungsten. Deliveries to Julius Hoesch must be considered "DRC conflict free" under SEC regulations.

5. management systems

The supplier shall introduce management systems that ensure compliance with the principles listed here and shall certify these in accordance with recognised standards. Julius Hoesch will give preference to suppliers who actively operate a quality management system according to ISO 9001, an environmental management system according to ISO 14001, as well as OHSAS 18001 for occupational health and safety or equivalent systems.

6. maintaining identity and protection from persecution

Julius Hoesch expects its suppliers to protect employees who submit a complaint report within the supplier company from threats, harassment or other adverse action. In addition, the protection of personal data of those reporting and reported must be ensured. Whistleblowers are expected by the supplier company to maintain the confidentiality of their identity at all stages of the procedure.

7. supplier relations

7.1 Subcontractors

Julius Hoesch expects its suppliers to communicate all the principles and requirements described here to their subcontractors and suppliers and also to take them into account in their selection. Suppliers shall encourage their subcontractors and suppliers to comply with the described standards on human rights, working conditions, prevention of corruption and environmental protection in the context of fulfilling their contractual obligations.

7.2 Monitoring and verification

Julius Hoesch reserves the right to ask the Supplier on request for all necessary information for an initial assessment as part of a self-assessment. In addition, the Supplier shall provide other information, if possible, that proves compliance with the guideline. The Supplier is requested to inform JH about events that are contrary to the principles of the guideline.

Düren, May 2020

References:

International Labour Standards (ILO):

www.ilo.org/global/standards/lang--len/index.htm

OHSAS 18001 Healthy & Safety Standard:

<https://www.ohsas-18001-occupational-health-and-safety.com/>

UN Global Compact:

<https://www.unglobalcompact.org/>

conflict minerals Dodd Frank 1502 der SEC (U.S. Securities and Exchange Commission):

<https://www.sec.gov/News/Article/Detail/Article/1365171562058#.UvO6RyhrjZw>