

## **Policy Statement on the Implementation of the German Supply Chain Due Diligence Act (“Grundsatzzerklärung”, § 6 (2) LkSG)**

Sustainability is a central entrepreneurial guiding principle of Heraeus and has long been incorporated into the principles of the entrepreneurial and social actions of Heraeus. In the Heraeus vision statement for 2025, Heraeus has outlined its ambition to further strengthen the role of ESG in corporate decisions.

### **Protection of Human Rights in Supply Chains**

The various business segments of the Heraeus Group pursue the goal of aligning their value chains with due regard to the protection of human rights. In doing so, the Heraeus Group follows in particular the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the requirements of the German Supply Chain Due Diligence Act [“Act” or “LkSG”].

For this purpose, irrespective of the Act, all new suppliers, in particular in the areas of precious metals trading and recycling of precious metal-containing materials, have been expected to fulfill the requirements of the Heraeus Supplier Code of Conduct for many years now. Suppliers in the business areas of precious metals trading and recycling of precious metal-containing materials have been carefully selected and monitored for many years already. The Heraeus Group procures conflict minerals only from sources that have been certified by an independent body as safe sources of supply for conflict minerals.

The principles for the selection and monitoring of suppliers, especially suppliers of precious metal-containing materials or conflict minerals, are laid down in the [Heraeus Supply Chain Due Diligence Policy](#), which is part of this Statement by reference.

### **Protection of Human Rights at Heraeus**

Since 2007, the [Heraeus Code of Conduct](#) has served as a central framework for the diversified business activities of Heraeus. The Heraeus Code of Conduct is declared binding on all employees of Heraeus worldwide. Since 2018, the Heraeus Code of Conduct has been supplemented by the Heraeus Human Rights Policy. In this policy, Heraeus commits to respect and observe universally recognized human rights. The [Heraeus Human Rights Policy](#) is part of this Statement by reference.

The Heraeus Human Rights Policy has been implemented through the Heraeus Human Rights Management System, which was established to ensure that the Heraeus Human Rights Policy is implemented in practice in the business segments of the Heraeus Group.

### **Implementation of the German Supply Chain Due Diligence Act**

The Heraeus Group (for the purpose of this Policy Statement, Heraeus Group means all Heraeus legal entities falling within the scope of the Act, which will be herein referred to as “relevant Heraeus company/companies”) has been working on the implementation of the Act

since 2021, and essential requirements of this Act are already being fulfilled as a result of the review and assessment procedures introduced in the past.

## Supplier Risk Assessment

Where not already in place, a process for risk analysis and the assessment of suppliers will be set up, which includes a requirement for a risk-appropriate review by the relevant Heraeus companies of their suppliers for the risks addressed by the Act. The risk analysis is based on the evaluation of country and industry risks. For the risk analysis, the relevant Heraeus companies may also use information which they have requested from their suppliers, researched themselves or obtained from external sources (commercial KYC and ESG data providers).

The focus of the human rights due diligence processes is placed in particular on the following human rights risks that have been identified by a (preliminary) risk analysis as material risks for the Heraeus Group:

- Risks arising in connection with the purchase of precious metals and with the treatment of precious metal-containing materials, in particular as a result of unsafe and unfair working conditions (in particular minimum salary and working hours), soil degradation, air or water pollution and the use of mercury;
- Risks arising in connection with the purchase of chemicals in countries with a risk of unsafe working conditions or soil degradation or air or water pollution;
- Risks arising in connection with the purchase of raw materials from countries with a risk of unsafe working conditions or soil degradation or air or water pollution;
- Risks arising in connection with the purchase of materials or products by the relevant Heraeus companies from suppliers in the awareness that the respective suppliers might purchase raw materials from countries with a risk of unsafe working conditions, soil degradation or air or water pollution;
- Risks arising in connection with the engagement of construction companies by the relevant Heraeus companies in the awareness that the respective construction companies might use subcontractors with unfair and unsafe working conditions;
- Risks arising in connection with cleaning services due to unfair working conditions;
- Risks arising in connection with the disposal of waste as a result of unsafe working conditions, soil degradation or air or water pollution.

As part of its efforts to respect human rights, the Heraeus Group focuses on the following groups of persons, as their human rights are potentially threatened by its business activities along the global supply chain:

- Employees of mining companies
- Employees of chemical sector companies in countries with higher human rights risks or environmental risks
- Employees of construction companies or companies offering cleaning or waste disposal services, in particular in countries with higher human rights risks or environmental risks
- Neighbors of mines or chemical plants

Based on the risk analysis, the relevant Heraeus companies are required to take appropriate measures if deemed necessary. Depending on the risk identified, such measures can range from obtaining confirmations of compliance with the Heraeus Supplier Code of Conduct, to transmitting and evaluating questionnaires, collecting external data, committing the supplier to certain measures, and to on-site supplier audits. Or the relevant Heraeus companies may even decide not to enter into a business relationship or to terminate an existing business relationship with certain suppliers. The sample purchase contracts as well as the Supplier Code of Conduct provide that the suppliers of the relevant Heraeus companies are to commit their sub-suppliers in a risk-appropriate manner to also comply with the human rights and environmental standards laid down in the Heraeus Supplier Code of Conduct.

## **Risk Assessment in Heraeus' own area of operations ("eigener Geschäftsbereich")**

In the implementation of the Act, the Heraeus Group expands its own processes and structures for its own area of operations ("Eigener Geschäftsbereich"). In doing so, the Heraeus Group can build on its existing Compliance Management System to ensure the protection of human rights and the relevant environmental aspects addressed by the Act. The expansion of the existing Heraeus Compliance Management System and the implementation of the risk analysis are coordinated in close cooperation between the Responsibility Office, Corporate Human Resources and Corporate EHS.

Based on risk assessment carried out in the past, Heraeus Holding is not aware of any material human rights risks or environmental risks for employees of the Heraeus Group. Regarding human rights risks, the relevant Heraeus companies have been and will be required to conduct an annual human rights risk assessment. For the assessment and mitigation of environmental risks mentioned under § 2(3) LkSG, in particular risks related to the manufacturing and handling of chemical substances, the Heraeus Group has established a global framework for an EHS management system. This framework also provides for countermeasures to be taken where required.

## **Implementation of other elements of the Act and Responsibilities**

Human rights training courses are part of the compliance training seminars. Employees of the procurement department have been and will be invited to specific human rights training courses on human rights risk in the supply chain. The relevant Heraeus companies are required to report the results of the risk assessment and the implementation of preventive and remedial measures to their top management or their supervisory board. The processes for the implementation of the Act will be reviewed at least annually by a human rights expert group. The Heraeus Group already has a Compliance Hotline ("grievance mechanism") which is available to employees and third parties and which will be further improved and expanded in the course of the implementation of the Act.

The responsibility for the operational implementation of the Act, in particular for the risk assessment and any adequate measures taken based on such risk assessment, lies with the managing director of the relevant Heraeus company, who may delegate the responsibility for the risk assessment to the procurement department (suppliers and supply chain) or the human resources department (Heraeus' own area of operations) which are supported in the

# Heraeus

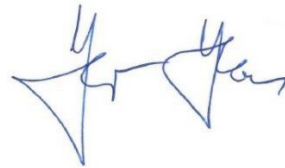
implementation of the Act by the Global Procurement Department (suppliers and supply chain) or the Global HR department (Heraeus' own area of operations), respectively, and by the Responsibility Office (Heraeus Business Solutions GmbH). The Responsibility Office consolidates the reports of the relevant Heraeus companies and supports the relevant Heraeus companies in the reporting on the LkSG. The Responsibility Office is also responsible for establishing the grievance mechanism, receiving incoming complaints and supporting the relevant Heraeus companies in taking adequate measures based on the complaints.

The Heraeus Group will report on an ongoing basis on the implementation of the Act, both in the policy statement required by the Act and in annual reports.



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Directors of Heraeus Holding GmbH



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Hergen Haas  
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