

# Human Rights Policy

## I. Background

According to our core values and based on the OTTO FUCHS Code of Conduct, it is our conviction that every human being has a right to be treated with dignity and respect.

OTTO FUCHS therefore respects and supports the UN Guiding Principles on Business and Human Rights. We have also made a commitment to ensure that our operations are compliant with the Universal Declaration of Human Rights, the Principles of the United Nations Global Compact and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

## II. What does this mean on an everyday basis?

Human rights are basic standards that serve to ensure the dignity and equality of all. They are universal, inalienable and indivisible rights to which every human being is equally entitled. Preventing violations of human rights is an essential element in the self-concept of OTTO FUCHS and its employees.

Therefore, when working with our suppliers and customers, we also expect them to act in accordance with human rights principles. Wherever necessary, we support our partners in fulfilling these principles. In the event of non-compliance, OTTO FUCHS shall first instance discuss how compliance with our requirements can be ensured. However, continued non-compliance can result in OTTO FUCHS terminating the business relationship.

Employees<sup>1</sup> are encouraged to take all appropriate measures to prevent OTTO FUCHS being involved or complicit in human rights violations in its business operations, services and business relationships.

This Policy elaborates on the fundamental issues addressed by the Code of Conduct, such as respect and legality.

## III. Human rights standards

The following standards define fundamental rights for employees. The requirements and obligations ensuing from said standards are agreed separately with suppliers and, where relevant, with customers.

### 1. Prohibition of child labour

OTTO FUCHS does not allow child labour. This means that OTTO FUCHS does not employ any school-age people under the age of 15, nor does it tolerate its suppliers doing so. If the ILO conventions on child labour have not been implemented as national law, a minimum age of 14 applies. According to ILO Convention No. 182, certain activities are considered hazardous for the health, safety and moral integrity of a child, and therefore require a minimum age of 18.

Recognised methods and means of verifying the age of employees must be used during inspections. This can be done by a physician, at the supplier's expense, if there is any doubt about the authenticity of documents, such as identity papers.

<sup>1</sup> Words imputing a particular gender include other genders. The term 'employees' denotes persons or groups of persons of whatever gender. 'He' or 'she' is used merely to keep the text simple.

OTTO FUCHS will not cooperate with any suppliers who employ children. Continued employment of a child will not be tolerated by OTTO FUCHS. Continuation of the business relationship is dependent on whether the supplier is prepared to take appropriate measures to prevent any further violation.

The prohibition of child labour and the protection of young employees shall not be foiled by fake apprenticeships.

## **2. Freedom of employment, prohibition of forced labour**

Employment must be subject to the individual's free choice. The freedom of movement of employees may not be restricted either during or outside working hours. OTTO FUCHS declines any form of forced or compulsory labour for that reason. This includes the participation of prisoners in the procurement and production process, unless as part of resocialisation projects legitimated and recognised by government.

The most obvious manifestations of forced labour are serfdom and slavery. However, we understand forced labour to mean any form of pressure exerted on workers to force them to work.

The forms most commonly encountered in practice are:

- being forced to work under threat of punishment or physical violence
- retention of identity papers and other documents important for the worker
- withholding of wages (e.g. as a disciplinary measure or as security for a debt)
- creating financial dependencies by granting loans (often with excessive interest charges and bad terms)
- blackmailing (e.g. by threatening denunciation to the police or immigration authorities)

To prevent this, employees need only present such documents to their employers as are required by law to establish and maintain a proper employment relationship. The supplier is not allowed to require its employees to deposit identification papers, or to demand a "deposit". Employees must be able to terminate their employment at any time with a reasonable notice period. Disciplinary measures must comply with national employment law and internationally recognised human rights.

## **3. Decent working conditions**

OTTO FUCHS respects the personal dignity, privacy and personal rights of every employee and also expects the same of its suppliers. Any kind of physical, psychological, sexual or verbal harassment or physical abuse, and any form of intimidation or exploitation is prohibited. Disciplinary measures must remain within the framework of national employment law and internationally recognised human rights.

#### **4. Prohibition of discrimination**

All employees must be treated with respect and dignity. Equal treatment and equal opportunities for all employees must be guaranteed. OTTO FUCHS does not tolerate any kind of physical, psychological, sexual or verbal punishment, or any form of intimidation.

#### **5. Payment, minimum wage**

Employees, including temporary employees, shall receive employment contracts and pay slips in written or equivalent form. If workers are unable to read, they must be verifiably informed in an appropriate manner.

When employment commences, all employees must know the amount of payment they receive, and this must be stated accordingly in the employment contract. Payments and benefits must comply with at least the respective national statutory or collectively agreed minimum standard, or with the minimum standard according to the respective national, sector-specific rules. Salaries and wages must be paid at least once a month. Payment should include a reasonable fixed component and shall not be based exclusively on the quantity produced. Unless employees have given their express consent, no deductions from pay are permitted that go beyond the statutory deductions, or that have not been ordered by an authority. The extra pay prescribed by law must be paid for overtime worked. If there is no statutory regulation, reasonable extra pay must be paid, if necessary, by taking collective agreements into account.

#### **6. Maximum working hours and minimum annual leave**

The respective national regulations governing working hours must be complied with. If national laws do not include any rules governing the maximum permissible working hours, the supplier may not require that more than 60 hours be worked in a normal working week. Employees must generally have at least one day off after six consecutive working days, unless statutory regulations allow deviations from this rule. Overtime must generally be voluntary; only in cases permitted by law may employees be ordered to work overtime. Extra hours must be remunerated.

Every worker is entitled to paid holidays. Employees are entitled to at least two weeks or twelve working days' paid holiday per calendar year.

#### **7. Health and safety at work**

OTTO FUCHS attaches great importance to a working environment that is safe and hygienic. This also applies to social areas and to the accommodation provided to employees by suppliers.

Preventive measures include regular health and safety training. A special focus must be placed on safe handling of machinery and hazardous substances, and on fire protection. Employees must be informed and trained appropriately and in verifiable form.

These requirements also apply to social areas and worker accommodation if these are provided by the supplier.

## 8. Freedom of association and the right to collective bargaining

OTTO FUCHS respects the right of employees to join an organisation that represents their interests. OTTO FUCHS likewise accepts the right to collective bargaining within the framework of the respective national laws. If national laws restrict freedom of association and freedom of collective bargaining, formation of a similar organisation within the enterprise must be permitted (e.g. an employees' representation body).

## V. Scope of application / persons to contact

This Policy applies to all employees throughout the OTTO FUCHS Group, regardless of their job description or position in the hierarchy. The only exception is Schüco International KG, which has implemented its own compliance programme. Any previous rules and regulations which do not conflict with the Policy shall continue to apply. In the event of discrepancies, the stricter rule shall apply.

Individual provisions may be modified if and insofar as the Policy conflicts with country-specific regulations, but there may be no deviation from the essential content and purpose of the respective provision. These and any other exceptions must be subjected to legal review and legally substantiated and require consultation and agreement with the Chief Compliance Officer and the written consent of top management.

OTTO FUCHS encourages all employees to raise in a direct manner any topics or issues they wish to discuss. Any employee who has questions or suggestions regarding the Code of Conduct can contact the Compliance Team or the external ombudsman.

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