Werhahn Slavery and Human Trafficking Statement 2017

Organisational Structure, Business Operations and Supply Chains

Werhahn Group

Wilh. Werhahn KG with corporate seat at Neuss, Germany, is a family-run business which places great value on a relationship of mutual trust with its employees, customers and business partners. Business activities of Wilh. Werhahn KG and its subsidiaries (collectively the Werhahn Group) comprise three corporate divisions - Building Materials, Consumer Goods and Financial Services - with seven business lines. Werhahn Group employed approximately 9,900 employees and has generated a turnover of around 3.3 billion worldwide in the financial year 2017.

The Werhahn Group is committed to act ethically and with integrity in its business dealings and to take the appropriate steps to preserve the fundamental rights and freedoms of its employees. Any activities such as forced or compulsory labor, human trafficking or other forms of slavery will not be tolerated within the Werhahn Group or its supply chains. Essential ethical values and standards of conduct are stipulated in Wilh. Werhahn KG's Code of Conduct, which is applied within the whole Werhahn Group.

Business Operations

Core business of the Consumer Goods division is the production of high-quality kitchenware (such as knives, cookware, cutlery, etc.) and beauty products (e.g. manicure sets). Production companies of the Consumer Goods division are located in Germany, France, Italy, Japan, India and China. Business operations of the Building Materials division comprise the production of building materials (such as asphalt, natural stones and slate) and are run in Germany, Spain, Sweden, Czech Republic, Hungary, Poland, Russia and Ukraine. Financial Services are rendered in Germany, Austria and the Netherlands only.

Employees and Organisational Policies

Employees

We can assure that all employees within the Werhahn Group, whether temporary or permanent workers, work for us on their own free will. We ensure this by a transparent and reliable recruitment system applied on a global and local basis by always applying our general standards as defined in our Code of Conduct.

Code of Conduct

The Werhahn Code of Conduct has been implemented within all Group companies on a worldwide basis (majority owned subsidiaries either apply the Werhahn Code of Conduct or a Code of Conduct with a similar content).

The Werhahn Code of Conduct explains the value system of the Werhahn Group and defines the behavioural standards for all employees. It is based on the following core principles:

- We are human and straight in our dealings with each other, we are honest and loyal.
- We respect each individual's dignity and identity and do not tolerate any discrimination, harassment or abuse.
- We bear personal responsibility.
- When attending to personal interests we take care that these do not conflict with the company's interests.
- We comply with all laws and regulations (e.g. environmental protection, occupational safety, hygiene regulations).
- We do not tolerate corruption in any form (we do not bribe others or accept bribes ourselves).

- We compete fairly, do not give preferential treatment or discriminate against any business partners, and apply the rules of competition law in our dealings with competitors and customers.

Training
In addition to providing the Werhahn Code of Conduct, Werhahn Group offers - depending on the respective corporate division and in particular within the Consumer Goods division - further training to its employees (such as face-to-face compliance training or online training in the group's core languages).

Helpline
The Werhahn Group moreover provides their employees inter alia the opportunity to anonymously raise possible concerns with regard to a breach of statutory provisions or internal guidelines via a toll-free helpline. An eventual breach of human or other rights (e.g. through modern slavery or human trafficking) could also be reported via the helpline. Following the report of a potentially critical incident, such incident will be noticed and comprehensively assessed by competent experts. Should the incident in fact constitute an infringement of statutory provisions or guidelines, appropriate measures will be taken immediately in order to sort out the respective issue.

Relationship with Suppliers

Supply Chains
The supply chains differ significantly depending on the respective corporate division. Suppliers and sub-suppliers in the Consumer Goods division are located in Europe, East Asia and Southeast Asia. As regards the Building Material division, a large part of (preliminary) products is either produced or supplied directly within the division which guarantees an ideal overview of the production and work conditions. Main suppliers of the Building Materials division are situated in Europe; in particular in Germany and Spain, but also in the Czech Republic, Belarus and Poland. Complementary supplies are delivered by suppliers worldwide. Due to its business model (i.e. rendering of financial services only), the core business operations of the Financial Services division are not based on any material supply chains.

Code of Conduct and Corporate Principles regarding Suppliers
The relationship with suppliers is governed individually within the corporate divisions. An additional Code of Conduct - which is the basis for all supplier relationships and needs to be signed by each supplier prior to entering into any supply relationship - has been implemented within the Consumer Goods division. This Code of Conduct sets out the social standards which need to be fulfilled by all suppliers and their sub-suppliers. These include amongst other things:

- Legal compliance
- Prohibition of discrimination, child Labour, forced Labour and disciplinary Measures
- Freedom of association
- Fair remuneration
- Compliance with workplace health and safety as well as environmental standards.

Corporate principles which govern demands and precepts with regard to business partners have also been developed within the Building Materials division and been made available to the majority of its entities. These principles aim at the following objectives:

- Prohibition of forced labor and child labor
- Non-discrimination of employees
- Safety at work
- Health and environmental protection
- Fair competition

Due Diligence Process
The Consumer Goods division has furthermore implemented a due diligence process for suppliers to ensure compliance with its standards. In a first step it is determined whether the supplier has already been audited according to BSCI or SA 8000 standards. If the supplier has not been audited yet, further assessment is made

on basis of an extensive questionnaire covering all areas of social and environmental standards. Only if the results of the BSCI or SA 8000 audit or of the questionnaire are positive the supplier will be further evaluated.

If the results of the BSCI or SA 8000 audit or the interview are negative and cannot be cured within a short period of time no business relationship will be concluded with the supplier.

Supplier Audit / Factory Visits

Within the Consumer Goods division, social compliance checks and audits at its suppliers are carried out on a regular basis. These are either conducted by own employees and/or where required by third parties. They include in particular extensive factory visits and additional detailed interviews with the management and employees.

Documentation of Failure / Termination of Business Relationship

Should a supplier of the Consumer Goods division fail to comply with applicable legal and/or social and environmental standards of the division, remediation will be requested immediately after becoming aware of such failure. Respective incidents are being recorded and a follow-up audit is being carried out. Should the supplier fail again, and in case the respective failure was not severe, the Consumer Goods division will either provide its support to remedy the failure or end the business relationship. In case of severe failures the business relationship will be terminated immediately.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Werhahn Group's slavery and human trafficking statement for the financial year ending December 31, 2017.

Neuss, June 2018

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