

POLICY STATEMENT

**of Forschungszentrum Jülich GmbH
pursuant to Section 6 (2) of the Act on Corporate Due
Diligence Obligations for the Prevention of Human
Rights Violations in Supply Chains (LkSG)**

Last updated: 24 November 2023

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1. Introduction/Preamble

Forschungszentrum Jülich GmbH (hereinafter referred to as “FZJ” or “we”) – a publicly funded institution – is one of the largest interdisciplinary research institutions in Europe and, as a member of the Helmholtz Association, makes an effective contribution to solving major challenges facing society in the fields of information, energy, and bioeconomy. It focuses on the future of information technologies and information processing, complex processes in the human brain, the transformation of the energy system, and a sustainable bioeconomy.

Against this backdrop, FZJ is committed to ecologically and socially responsible corporate governance; in addition, our tasks give rise to a social responsibility, which we believe lies in particular in safeguarding and observing the law and legal regulations as well as scientific integrity, extending to ethical requirements and respect for human rights, ecological issues, and the protection of the environment in the interest of and as an obligation to future generations.

With this policy statement on our human rights strategy pursuant to Section 6 (2) of the Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (hereinafter referred to as LkSG), we create a binding framework for FZJ’s compliance with human rights and environment-related due diligence obligations and for the establishment of preventive measures in its own area of business, with regard to direct suppliers and, if applicable, indirect suppliers and their effectiveness review.

2. Declaration, commitment, and responsibility

FZJ undertakes to respect and uphold human rights and to treat the environment responsibly. We observe the legal positions protected pursuant to Section 2 (1) LkSG and the prohibitions specified in Section 2 (2) and (3) LkSG. These provisions are attached to the policy statement.

The Board of Directors of Forschungszentrum Jülich undertakes to comply with and monitor the human rights and environment-related due diligence obligations defined in the LkSG.

Managers in particular are expected to act as role models when performing their respective duties to ensure compliance with this policy statement.

3. Risk analysis and risk management

In order to identify human rights and environment-related risks within FZJ and at its direct suppliers, FZJ will conduct annual and ad hoc risk analyses pursuant to Section 5 LkSG.

As part of these risk analyses, FZJ will identify, weight, and prioritize human rights and environment-related risks in accordance with Section 5 (1) and (2) LkSG. This prioritization aims to identify risk areas, causes, and objects as comprehensively as possible. The results will be communicated within FZJ in line with Section 5 (3) LkSG.

An ad hoc risk analysis will be carried out without undue delay by FZJ if FZJ has actual indications that suggest that a violation of a human rights-related or an environment-related obligation at indirect suppliers may be possible. FZJ will review and update this policy statement in accordance with the results of the risk analysis conducted.

4. Monitoring

FZJ has appointed a human rights officer to monitor its risk management.

5. Identification of priority risks

FZJ is involved in research and development with an associated extensive research infrastructure and maintains national and international scientific relations. This results in a high level of complexity and diversity with regard to identifying and prioritizing human rights and environment-related risks. Against this backdrop, FZJ prioritizes risks that are particularly significant in terms of their severity, reversibility, and probability of occurrence, and which FZJ either influences or even makes a causal contribution.

6. Expectations on suppliers and employees

FZJ expects its suppliers in the supply chain to comply with the regulations in force in the applicable jurisdiction, in particular the relevant human rights and environmental protection regulations. In addition, FZJ strives to ensure that its suppliers comply with the provisions of the LkSG by including specific contractual clauses. To this end, procurement strategies and purchasing practices will be developed and implemented within FZJ to ensure that suppliers comply with the provisions of the LkSG, particularly with regard to invitations to tender, and thus to prevent or minimize risks.

FZJ expects its employees to respect human rights in the sense of the LkSG and to treat the environment responsibly. This policy statement aims to make Jülich employees aware of responsible behaviour.

7. Complaints procedure

FZJ has implemented a complaints procedure in accordance with Section 8 LkSG, which can be used by anyone to anonymously report violations of human rights-related and environment-related obligations that occurred at FZJ or at its direct and indirect suppliers.

The complaints procedure can be found online at:

<https://app.whistle-report.com/report/d13189d9-7a0d-4342-a529-4de5abffb807>

The general rules for the complaints procedure in accordance with Section 8 LkSG can be found here:

<https://www.fz-juelich.de/en/about-us/what-we-stand-for/compliance>

The complaints body directly reports to Forschungszentrum Jülich's Board of Directors on any complaints received.

8. Remedial action

If it is discovered that a violation of a human rights-related or an environment-related obligation has already occurred or is imminent at FZJ, appropriate remedial action must be taken without undue delay in accordance with Section 7 LkSG to prevent or end this violation.

If it is discovered that a violation of a human rights-related or an environment-related obligation has already occurred or is imminent in the own business unit or at a direct supplier of FZJ, FZJ must take appropriate remedial action in accordance with Section 7 (2) LkSG – extending to the termination of business relationships if required – to prevent or end the violation or minimize its extent.

If FZJ has actual indications that suggest that a violation of a human rights-related or an environment-related obligation at its indirect suppliers may be possible (substantiated knowledge), it must take measures in accordance with Section 9 (3) LkSG.

9. Documentation and reporting obligations

FZJ will continuously document the fulfilment of its due diligence obligations pursuant to Section 3 LkSG in accordance with Section 10 (1) LkSG and prepare an annual report on the fulfilment of its due diligence obligations in accordance with Section 10 (2) to (4), starting in 2024 for the 2023 financial year.

signed Prof. Dr. A. Lambrecht
Chair of the Board of Directors

signed K. Beneke
Vice-Chair of the Board
of Directors

signed Dr. Ir. P. Jansens
Member of the Board of
Directors

Annex

Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (LKSG)

Section 2 Definitions

- (1) Protected legal positions within the meaning of this Act are those arising from the conventions on the protection of human rights listed in nos. 1 to 11 of the Annex.
- (2) A human rights risk within the meaning of this Act is a condition in which, on the basis of factual circumstances, there is a sufficient probability that a violation of one of the following prohibitions is imminent:
1. the prohibition of the employment of a child under the age at which compulsory schooling ends according to the law of the place of employment, provided that the age of employment is not less than 15 years, except where the law of the place of employment so provides in accordance with Article 2 (4) and Articles 4 to 8 of Convention No. 138 of the International Labour Organization of 26 June 1973 concerning Minimum Age for Admission to Employment (Federal Law Gazette 1976 II pp. 201, 202);
 2. the prohibition of the worst forms of child labour for children under 18 years of age; in accordance with Article 3 of Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291) this includes:
 - a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, as well as forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts,
 - b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances,
 - c) the use, procuring or offering of a child for illicit activities, in particular for the production of or trafficking in drugs,
 - d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children;
 3. the prohibition of the employment of persons in forced labour; this includes any work or service that is required of a person under threat of punishment and for which he or she has not made himself or herself available voluntarily, for example as a result of debt bondage or trafficking in human beings; excluded from forced labour are any work or services that comply with Article 2 (2) of Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II p. 640, 641) or with Article 8 (3) (b) and (c) of the International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II pp. 1533, 1534);
 4. the prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation;
 5. the prohibition of disregarding the occupational safety and health obligations applicable under the law of the place of employment if this gives rise to the risk of accidents at work or work-related health hazards, in particular due to:
 - a) obviously insufficient safety standards in the provision and maintenance of the workplace, workstation and work equipment;

b) the absence of appropriate protective measures to avoid exposure to chemical, physical or biological substances;

c) the lack of measures to prevent excessive physical and mental fatigue, in particular through inappropriate work organisation in terms of working hours and rest breaks; or

d) the inadequate training and instruction of employees;

6. the prohibition of disregarding the freedom of association, according to which

a) employees are free to form or join trade unions,

b) the formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation,

c) trade unions are free to operate in accordance with applicable law of the place of employment, which includes the right to strike and the right to collective bargaining;

7. the prohibition of unequal treatment in employment, for example on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employment; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value;

8. the prohibition of withholding an adequate living wage; the adequate living wage amounts to at least the minimum wage as laid down by the applicable law and, apart from that, is determined in accordance with the regulations of the place of employment;

9. the prohibition of causing any harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption that

a) significantly impairs the natural bases for the preservation and production of food,

b) denies a person access to safe and clean drinking water,

c) makes it difficult for a person to access sanitary facilities or destroys them or

d) harms the health of a person;

10. the prohibition of unlawful eviction and the prohibition of unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person;

11. the prohibition of the hiring or use of private or public security forces for the protection of the enterprise's project if, due to a lack of instruction or control on the part of the enterprise, the use of security forces

a) is in violation of the prohibition of torture and cruel, inhumane or degrading treatment,

b) damages life or limb or

c) impairs the right to organise and the freedom of association;

12. the prohibition of an act or omission in breach of a duty to act that goes beyond nos. 1 to 11, which is directly capable of impairing a protected legal position in a particularly serious manner, and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question.

(3) An environment-related risk within the meaning of this Act is a condition in which, on the basis of factual circumstances, there is a sufficient probability that one of the following prohibitions will be violated:

1. the prohibition of the manufacture of mercury-added products pursuant to Article 4 (1) and Annex A Part I of the Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II pp. 610, 611) (Minamata Convention);
2. the prohibition of the use of mercury and mercury compounds in manufacturing processes within the meaning of Article 5 (2) and Annex B Part I of the Minamata Convention from the phase-out date specified in the Convention for the respective products and processes;
3. the prohibition of the treatment of mercury waste contrary to the provisions of Article 11 (3) of the Minamata Convention;
4. the prohibition of the production and use of chemicals pursuant to Article 3 (1) (a) and Annex A of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), last amended by decision of 6 May 2005 (Federal Law Gazette 2009 II pp. 1060, 1061), in the version of Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169 of 26 May 2019 pp. 45-77), as last amended by Commission Delegated Regulation (EU) 2021/277 of 16 December 2020 (OJ L 62 of 23 February pp. 1-3);
5. the prohibition of the handling, collection, storage and disposal of waste in a manner that is not environmentally sound in accordance with the regulations in force in the applicable jurisdiction under the provisions of Article 6 (1) (d) (i) and (ii) of the POPs Convention.
6. the prohibition of exports of hazardous waste within the meaning of Article 1 (1) and other wastes within the meaning of Article 1 (2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II pp. 2703, 2704) (Basel Convention), as last amended by the Third Ordinance amending Annexes to the Basel Convention of 22 March 1989 of 6 May 2014 (Federal Law Gazette II pp. 306, 307), and within the meaning of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (OJ L 190 of 12 July 2006 pp. 1-98) (Regulation (EC) No 1013/2006), as last amended by Commission Delegated Regulation (EU) 2020/2174 of 19 October 2020 (OJ L 433 of 22 December 2020 pp. 11-19)
 - a) to a party that has prohibited the import of such hazardous and other wastes (Article 4 (1) (b) of the Basel Convention),
 - b) to a state of import as defined in Article 2 no. 11 of the Basel Convention that does not consent in writing to the specific import, in the case where that state of import has not prohibited the import of such hazardous wastes (Article 4 (1) (c) of the Basel Convention),
 - c) to a non-party to the Basel Convention (Article 4 (5) of the Basel Convention),
 - d) to a state of import if such hazardous wastes or other wastes are not managed in an environmentally sound manner in that state or elsewhere (Article 4 (8) sentence 1 of the Basel Convention);
7. the prohibition of the export of hazardous wastes from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No 1013/2006) and
8. the prohibition of the import of hazardous wastes and other wastes from a non-party to the Basel Convention (Article 4 (5) of the Basel Convention).

Annex to section 2 (1)

Conventions

1. Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II pp. 640, 641) (ILO Convention No. 29)
2. Protocol of 11 June 2014 to Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 2019 II pp. 437, 438)
3. Convention No. 87 of the International Labour Organization of 9 July 1948 concerning Freedom of Association and Protection of the Right to Organise (Federal Law Gazette 1956 II pp. 2072, 2071), as amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II pp. 1135, 1136) (ILO Convention No. 87)
4. Convention No. 98 of the International Labour Organization of 1 July 1949 concerning the Application of the Principles of the Right to Organise and to Bargain Collectively (Federal Law Gazette 1955 II pp. 1122, 1123), as amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II pp. 1135, 1136) (ILO Convention No. 98)
5. Convention No. 100 of the International Labour Organization of 29 June 1951 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value (Federal Law Gazette 1956 II pp. 23, 24) (ILO Convention No. 100)
6. Convention No. 105 of the International Labour Organization of 25 June 1957 concerning the Abolition of Forced Labour (Federal Law Gazette 1959 II pp. 441, 442) (ILO Convention No. 105)
7. Convention No. 111 of the International Labour Organization of 25 June 1958 concerning Discrimination in Respect of Employment and Occupation (Federal Law Gazette 1961 II pp. 97, 98) (ILO Convention No. 111)
8. Convention No. 138 of the International Labour Organization of 26 June 1973 concerning the Minimum Age for Admission to Employment (Federal Law Gazette 1976 II pp. 201, 202) (ILO Convention No. 138)
9. Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291) (ILO Convention No. 182)
10. International Covenant of 19 December 1966 on Civil and Political Rights, (Federal Law Gazette 1973 II pp. 1533, 1534)
11. International Covenant of 19 December 1966 on Economic, Social and Cultural Rights (Federal Law Gazette 1973 II pp. 1569, 1570)
12. Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II p. 610, 611) (Minamata Convention)
13. Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), last amended by the decision of 6 May 2005 (Federal Law Gazette 2009 II pp. 1060, 1061)
14. Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II pp. 2703, 2704) (Basel Convention), as last amended by the Third Ordinance amending Annexes to the Basel Convention of 22 March 1989 of 6 May 2014 (Federal Law Gazette II pp. 306/307).