

Light is OSRAM



OSRAM GmbH: Modern Slavery Statement 2018

This slavery and human trafficking statement has been published in accordance with section 54 (1) of the UK Modern Slavery Act 2015. It sets out the steps OSRAM has taken during the 2018 financial year ending September 30th 2018 to identify and address modern slavery and trafficking risks.

This statement is published on behalf of OSRAM GmbH and the [OSRAM Group](#). Although not all OSRAM Group companies are subject to the Act, OSRAM takes a group-wide approach to its human rights commitments.

OSRAM GmbH is part of the OSRAM Group. OSRAM GmbH supplies products into the UK market through its UK-based subsidiary OSRAM Limited. Both OSRAM GmbH and OSRAM Limited are covered by OSRAM Group's policy framework and management processes outlined below.

1. About OSRAM

OSRAM, headquartered in Munich, Germany, is a globally leading lighting solutions provider. Our portfolio ranges from high-tech applications based on semiconductor technology, such as infrared and lasers, to networked, intelligent lighting solutions for buildings and urban areas. OSRAM purchases a broad range of products from partners worldwide, including direct material suppliers for raw, semi-finished, and packaging material, finished product suppliers, and indirect material and service suppliers. For further information on the products, company structure and supply chains of OSRAM, please refer to the OSRAM [Annual Report 2018](#).

As a responsible member of society, OSRAM aims to prevent, mitigate and where necessary remediate negative impacts and strengthen positive impacts on people affected by the OSRAM operations, business relationships, supply chains and products. Respecting and supporting human rights is one of the cornerstone of this responsibility – as reflected in our membership in the [United Nations Global Compact](#) since 2005.

OSRAM is aware that risks for slavery and human trafficking exist in most global supply chains, including ours, with particular risks faced by migrant, contract and temporary workers, women, children and young workers amongst others.

2. Managing modern slavery risks at OSRAM

Our approach to human rights risk identification and management

OSRAM aims to respect human rights and is therefore committed to taking effective steps towards identifying and mitigating risks for people in the OSRAM operations, supply chains and business relationships. These requirements are reflected in the OSRAM policy framework and reporting: Our [Business Conduct Guidelines](#) include requirements to respect human rights and outline our expectations towards our worldwide employees, suppliers and business partners. They are complemented by our [Code of Conduct for Suppliers](#) not tolerating forced and compulsory as well as child labour in our supply chains which all suppliers are required to sign. OSRAM reports annually on its [progress](#) to uphold the Ten Principles of the [United Nations Global Compact](#), covering internationally recognised human rights and labour standards.

The OSRAM corporate human resources department is responsible for coordinating the company's response to human rights and modern slavery risks. The department reports directly to the Executive Board on these topics and is part of the OSRAM Sustainability Council.

In 2017/18 we worked on a comprehensive human rights policy that will provide the overarching framework for our human rights engagement, including responses to modern slavery risks and impacts. The policy was published externally in January 2019.

We also worked to supplement our existing notification system for compliance violations, “Tell OSRAM”, with a human rights grievance mechanism. “Tell OSRAM” is open to anyone who feels harmed or negatively affected by the activities of OSRAM or those doing business with OSRAM. This includes but is not limited to: Employees of OSRAM, our suppliers, service providers and business partners (including temporary workers and contractors) in any country; local communities around our sites and our suppliers’ sites; and, end users of OSRAM products or services. Respondents can raise any human rights related violations and concerns, including on forced labour and child labour. Our efforts include the mitigation actions outlined below. In section 3 we describe how we plan to strengthen our approach in the future.

Managing modern slavery risks in our own operations

The global and local human resources teams as well as our environmental protection and health and safety management system address a range of human rights risks at our 31 production sites and larger research and development sites, though we recognise this is not yet all-encompassing. In countries with known modern slavery risks, OSRAM has taken additional precautionary measures such as:

- The certification of production sites in India against the leading social compliance standard SA8000 inter alia addressing forced and child labour risks;
- The implementation of private employment agency audits to identify and mitigate modern slavery risks in worker recruitment processes in Malaysia, managed by the OSRAM Opto Semiconductors Malaysia HR Team.

Our OSRAM Opto Semiconductors subsidiary in Malaysia works to the standards set out in the Responsible Business Alliance (RBA) Code of Conduct or local law, whichever is more stringent. The code includes requirements on freely chosen employment, prohibiting forced, bonded or indentured labour as well as slavery, trafficking in persons and child labour.

Our Malaysian facilities are regularly audited by customers based on the RBA Code of Conduct. Twice a year, OSRAM Opto Semiconductors holds internal reviews to discuss and address any findings. Changes to policies and processes are then implemented, if necessary.

OSRAM Opto Semiconductors is currently expanding the use of the RBA standards to its production facility in Wuxi, China, with a view to broader expansion into China in the future.

Managing modern slavery risks within our supply chains

The OSRAM Code of Conduct for Suppliers is the **policy document** which sets out the basic requirements for all suppliers of goods and services concerning their responsibilities towards their stakeholders, affected groups and the environment. Our code includes explicit requirements with regard to child labour, modern slavery, forced labour and human trafficking, as well as unethical recruitment practices. A revised code was published in April 2018. It includes reference to free online resources, which suppliers can use to identify and address modern slavery risks.

The Code of Conduct for Suppliers also includes a Conflict Minerals Supplement. OSRAM aims to create total transparency regarding the origin of potential conflict minerals to be able to better address modern slavery and trafficking risks related to conflict mineral extraction in the future.

OSRAM procurement follows a two-pronged approach towards **assessing human rights risks in supply chains** and determining the need for further monitoring measures:

1. Suppliers in countries with higher risks for corruption and human rights abuses, as indicated by a score of 40 or less in the Transparency International Corruption Perceptions Index, are required to fill out a self-assessment covering the expectations of the OSRAM Supplier Code of Conduct. We use an online self-assessment platform enabling us to collect and monitor relevant supplier data, including human rights and labour aspects, in real time. We specifically request our suppliers to confirm that they reject all forms of forced labour, and whether they have measures in place to prevent forced labour by signing our Code of Conduct.
2. Procurement undertakes a periodic risk categorisation of the OSRAM supplier base based on general sustainability and human rights related commodity risks, the Transparency International Corruption Perceptions Index and selected internal factors. Based on this categorisation, suppliers from different commodity groups are further required to undergo a third-party Corporate Responsibility Audit, including assessment of child and forced labour risks, ensurance of a fair remuneration and working hours, safe working environment and others. The OSRAM procurement teams are trained on our social compliance approach.

In 2018 we held several **training and awareness-raising** sessions on human rights, including modern slavery and human trafficking, focusing on our procurement and supply chains.

3. Moving forward

For OSRAM, human rights due diligence in general and modern slavery due diligence more specifically is a process of continuous improvement and learning. To strengthen our due diligence approach in the future, OSRAM is committed to:

- Exploring opportunities to conduct a modern slavery risk assessment for our own operations, supply chain and local service providers;
- Using the implementation of our human rights policy to further raise awareness among OSRAM employees, suppliers and business partners on modern slavery risks and their mitigation;
- Strengthening our reporting on the effectiveness of our efforts to combat modern slavery, including via relevant performance indicators based on the standards of the Global Reporting Initiative (GRI).

Signatures



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