

Global Compact 2017

United Nations Global Compact

Communication on Progress 2017

 **Aurubis**
Metals for Progress

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Global
Compact
2017



Dear readers,

Aurubis has been committed to the United Nations Global Compact since 2014. We conform to the ten principles regarding human rights, labor, the environment, and anti-corruption when developing our business processes and strategies.

Aurubis is currently in a transformation process from copper producer to a multi-metal group. Copper will of course remain a central component of our business, but Aurubis can do more: We want to extract significantly more metals from the raw materials we currently use and make them available to society. We thus make a key contribution to sustainable development and help close the material cycle for copper and other metals.

The Aurubis strategy “Growth – Efficiency – Responsibility” that was presented in 2017 shows how we want to achieve our Vision 2025 and, at the same time, describes the high priority of responsible company management at Aurubis. We view this as a contribution to both securing our company’s future and to sustainable development when it comes to the environment and society.

On the following pages, we provide an overview of related instruments, measures, and concrete activities from the year 2017 that satisfied our requirements for responsible business activity.

For example, we established the foundation for our flagship project “Using Industrial Waste Heat to Supply HafenCity East” in 2017. This project will save more than 20,000 t of CO₂ annually in the future.

We take the safety and health of our employees at all sites very seriously and utilize a number of measures to reduce work-related accidents. In particular, the stagnation of the accident figures in 2017 provides us with continued motivation for reinforcing our efforts on the path to our “Vision Zero”. Environmental protection also plays a central role for us. We are already a forerunner in this regard today, but we will not rest on our laurels. Indeed, we want to better understand the expectations placed on us. For this reason we also actively sought out dialogue with our stakeholders and held constructive discussions last year.

With this Communication on Progress, Aurubis reinforces its self-imposed commitment to implementing the ten UN Global Compact principles in the company and to using them as an important guide when working with suppliers, customers, and partners.

I invite you to take a look at our activities on the following pages or in our current sustainability and environmental reporting (accessible at www.aurubis.com/responsibility).

We would be pleased to enter into an open dialogue with you – we welcome your ideas and remarks!

Warm regards,

Jürgen Schachler
Hamburg, June 2018



About Aurubis

Aurubis AG is a leading worldwide provider of non-ferrous metals and the largest copper recycler worldwide. The company processes complex metal concentrates, scrap metals, and metal-bearing recycling materials into metals of the highest quality.

Its main area of expertise is the processing and optimal recovery of concentrates and recycling raw materials with complex qualities. The group of companies is oriented towards growth, efficiency, and responsibility: The main components of the strategy are the expansion of the leading market position as an integrated copper producer, entering new markets in industries of the future, the highly efficient and optimal recovery of additional metals and by-products from complex raw materials, and practicing a responsible attitude when dealing with people, resources, and the environment.

Aurubis produces more than 1 million t of copper cathodes annually and from them a variety of copper products such as wire rod, continuous cast shapes, rolled products, and strip, as well as specialty wire and profiles made of copper and copper alloys. Precious metals, selenium, lead, nickel, and a number of other products such as sulfuric acid and iron silicate also belong to the product portfolio.

Aurubis has about 6,500 employees, production sites in Europe and the USA, and an extensive service and distribution system in Europe, Asia, and North America. The Group is managed centrally from the company headquarters and administrative center in Hamburg.

Aurubis' customers include companies in the semiconductor industry; the electrical engineering, electronics, and chemical industries; and suppliers of the renewable energies, construction, and automotive sectors, among others.

You can find more information at:

 www.aurubis.com

United Nations Global Compact

Communication on Progress

By signing the United Nations Global Compact, we at Aurubis have committed to supporting the protection of human rights in our area of influence, to guaranteeing international labor standards, to improving environmental protection, and to countering corruption and bribery.

The following tables show guidelines, management systems, and measures that Aurubis has put in place and carries out in order to implement the ten principles. It also shows the specific activities and progress made in 2017.

You can find further detailed information in our Sustainability Reports, the Aurubis Environmental Statements

and Reports, the Annual Reports, and on our website (www.aurubis.com). We inform our employees and external stakeholders regularly about the implementation of the UN Global Compact principles – during events such as the dialogue series CU2Talk, the internet and intranet, and the employee magazine CU.



Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2:

Businesses should make sure that they are not complicit in human rights abuses.

Our company values (PRIMA) are Performance, Responsibility, Integrity, Mutability, and Appreciation.

PRIMA, which means “great” in German, is derived from the first letters of the following English words: Performance, Responsibility, Integrity, Mutability, Appreciation.

Affirmations, regulations, and management systems

- » Affirmation of commitment to the ILO Core Labor Standards
- » Aurubis requires its business partners, particularly those in primary raw material sourcing, to adhere to UN conventions on human rights
- » Sustainability strategy
- » Supplier screening
- » Code of Conduct valid throughout the Group
- » Compliance management
- » PRIMA company values (see box)
- » Group-wide Gold Supply Policy to fulfill due diligence regarding conflict minerals
- » Due diligence guidelines of the OECD (Organisation for Economic Cooperation and Development)
- » Vision Zero: reducing workplace accidents as an objective of the sustainability strategy

Measures

- » Inclusion of a clause about adhering to UN sanctions and trade restrictions, as well as UN conventions related to human rights, environmental protection, and safety in all new supply contracts for primary raw materials
 - » Business Partner Screening: Screening of suppliers and customers under aspects of sustainability, compliance, and tax law
 - » Whistle-blowing hotline (in multiple languages)
-

Activities in 2017 and assessment of the results

- » “Good Delivery” status in the London Bullion Market Association (LBMA) confirmed for the fifth consecutive time
- » Percentage of – mostly long-term – contracts for primary raw materials that contain the aforementioned clause about adhering to UN Conventions is over 80 %
- » Experiencing PRIMA: workshops about company values for apprentices in Hamburg
- » Continuation of the stakeholder dialogue on social issues (including participation in and contribution to CSR Practitioner Day for implementing responsible supply chains)
- » Ongoing involvement in reducing workplace accidents with a number of activities at all sites (e.g., 3rd Aurubis Safety Days in Hamburg, workshop on increasing safety awareness at the Stolberg site)
- » Aurubis Bulgaria receives special Corporate Social Responsibility prize for supporting individuals with disabilities

Downloads

- ↓ [Aurubis Sustainability Report 2015](#)
- ↓ [Aurubis Code of Conduct \(including the PRIMA company values\)](#)

Additional information

- 🔗 www.aurubis.com/responsibility
🔗 Sustainability Management 🔗 Supply Chain
- 🔗 www.aurubis.com/corporate-governance
- 🔗 www.aurubis.com/gold
- 🔗 www.lbma.org.uk/good-delivery
- 🔗 www.csr-praxistage.de

Labor

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:

Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 5:

Businesses should uphold the effective abolition of child labor.

Principle 6:

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Affirmations, regulations, and management systems

- » PRIMA company values (see box on page 6)
- » Code of Conduct valid throughout the Group
- » Compliance management
- » Developing measures to increase interest among girls and women for technical education and professions as an objective of the sustainability strategy

Measures

- » Whistle-blowing hotline
- » Measures related to diversity

Activities in 2017 and assessment of the results

- » Implementing training sessions: In 2017, approximately 600 participants attended training sessions on antitrust and anti-corruption law.
- » Continuation of the stakeholder dialogue on issues of sustainability (for example the ongoing dialogue with relevant actors to implement the National Action Plan on Business and Human Rights in Germany)
- » Experiencing PRIMA: workshops about company values for apprentices in Hamburg
- » Aurubis Lünen was recertified as a family-friendly company
- » Participation of Aurubis Bulgaria in the UN Global Compact Initiative “I am proud of my parents’ work”

Downloads

- ↓ [Aurubis Sustainability Report 2015](#)
- ↓ [Aurubis Code of Conduct \(including the PRIMA company values\)](#)

Additional information

- 🔗 www.aurubis.com/responsibility
 - 🔗 Sustainability Management
 - 🔗 Employees & Society
- 🔗 www.aurubis.com/corporate-governance
- 🔗 www.aurubis.com/compliance
- 🔗 www.mintpink.de

Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility.

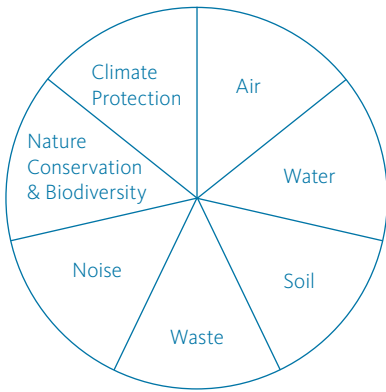
Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Affirmations, regulations, and management systems

- » Company guidelines on environmental protection
 - » Corporate Environmental Protection Policy
 - » Strategic environmental goals
 - » Affirmation of external guidelines such as Responsible Care
 - » Membership and active participation in the leading economic, industry, and technical associations
 - » Dedicated organizational units for environmental protection at every production site/plant
 - » A certified, integrated management system (IMS) at Aurubis AG for environmental topics (ISO 14001 and EMAS), energy (ISO 50001), and quality (ISO 9001)
 - » Business Partner Screening
 - » Certification in accordance with the WEEE End Processor Standard (voluntary standard on processing precious metal-bearing WEEE fractions such as printed circuit boards; WEEE = Waste Electrical and Electronic Equipment Directive)
 - » Participation in CDP climate change program
 - » Stakeholder dialogue with non-governmental organizations and environmental associations
 - » Hamburg Master Plan for Climate Protection
 - » Aurubis is doing intensive research and development work to continually optimize products and processes and expand its position as a technological leader through new processes. The consideration of current and future environmental standards, an efficient approach to resources, and the continuous reduction of emissions are important criteria in this respect.
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Environment



Group environmental protection targets until 2018

Air

- » Target: 10 % reduction in dust emissions compared to 2012
- » Example: lowering fugitive emissions in the KRS area in Lünen

Water

- » Target: 10 % reduction in metal emissions from primary copper production in bodies of water compared to 2012
- » Example: optimizing new rainwater treatment plant in Lünen

Soil

- » Target: reducing the discharge of pollutants into the soil
- » Example: large-scale paving of Lünen plant premises

Waste

- » Target: increasing recycling rates
- » Example: stronger fayalite marketing in Pirdop (BG)

Noise

- » Target: reducing noise emissions, especially in new technical projects

Nature Conservation & Biodiversity

- » Target: improving nature conservation at the production sites
- » Example: participating in NABU project UnternehmensNatur in Hamburg

Climate Protection

- » Target: Reducing CO₂ emissions by 100,000 t of CO₂ through energy efficiency and heat recovery projects
- » Example: using industrial waste heat to provide district heating in Hamburg

Measures

- » Group-wide environmental goals (medium- and long-term), including monitoring goal achievement
- » Site-specific environmental goals (short- and medium-term), including monitoring goal achievement
- » Continuous improvement of water, soil, and immission protection, as well as efficient use of energy and raw materials in the production plants
- » Continuous improvement of Business Partner Screening to reinforce a sustainable approach to raw materials
- » Aurubis uses the best available plant technologies (BAT)
- » Supported by the Aurubis Operating System (AOS) introduced in 2017, production processes are systematically analyzed and continuously optimized with environmental aspects in mind.
- » Involvement in the EU project on achieving an environmental balance between organizations and products: “Organisational Environmental Footprint” and “Product Environmental Footprint” (2017: OEF sector rules for copper production accepted by the European Commission)
- » Internal and external audits to review the effectiveness of environmental, energy, and quality management systems
- » Regular transfer of information between the environmental and energy officers at all production sites
- » Training for employees working in all plant areas relevant for environmental protection
- » Expansion of the stakeholder dialogue on environmental issues
- » Cooperation in the installation of wind turbines at the Olen site with an output of up to 28,000 MWh of electricity (annual savings of more than 12,000 t of CO₂)

Environment

Activities in 2017 and assessment of the results

- » More than € 16 million invested in environmental protection in copper production in 2016, more than € 560 million since 2000
- » € 11 million invested in R&D in fiscal year 2016/17
- » (Re-)certification of the environmental, energy, and quality management systems at all production sites
- » Certification of the integrated management system (IMS) for Aurubis AG
- » Successful recertification pursuant to the ISO/TS 16949 specifications for Aurubis Stolberg and the plants in Buffalo (USA) and Zutphen (NL)
- » Achievement of the Group-wide environmental protection standards in all areas
- » Significant outperformance of the emission reduction targets
- » Completion of countless measures at all sites to improve the environmental performance

Environment

Select examples

General

- » Active involvement in the Eurometaux industry association (environment, energy, and climate change, as well as sustainability committee)
- » Annual report of sustainability indicators to the International Copper Association (ICA) to show how the copper industry is contributing to sustainability goals
- » Official confirmation of the environmental and health compatibility of Aurubis Finland's Nordic Products through successful certification in accordance with ISO 14025 and EN 15804
- » Participation in the UnternehmensNatur (Company Nature) project organized by NABU (German Nature and Biodiversity Conservation Union) and implementation of the recommendations
- » Green Month at Aurubis Bulgaria

Climate/energy

- » Active involvement in energy efficiency networks as part of an initiative of German government and business
- » Participation in NEW 4.0, a large-scale interregional project to identify optimization potential in the area of electricity generation
- » Extension of the Partnership for Air Quality and Low-Emission Mobility with the city of Hamburg until 2020 and implementation of the sixth voluntary agreement to reduce emissions
- » Mobil.Pro.Fit. program: development of sustainable, efficient, and climate-compatible mobility management at the Hamburg site. Certification as Mobil.Pro.Fit. company issued in 2017
- » Implementation and participation in dialogue events as part of Aurubis Stolberg's affiliation with seven additional companies to form the Energy Efficiency Network Aachen
- » Preparation of the flagship project on the use of industrial waste heat recovery for Hamburg's HafenCity East neighborhood (see p. 18)
- » Various projects to save energy at all sites, including Olen: optimized management of energy input, e.g., by optimally operating the fume suction equipment on the smelting furnace roof. Reduction of about 500 t of CO₂ p.a.; Pirdop: electricity generation from waste heat through backpressure turbine (12,000 MWh p.a. reduction in external electricity demand); Emmerich/Avellino: energy efficiency measures, e.g., compressed air reduction, optimized control of frequency converter, use of waste heat in compressor, LED lighting, and CO₂ reduction due to electricity/gas savings of 360 t or 665 t CO₂ p.a.

Environment

Recycling/circular economy

- » Participation of Aurubis Hamburg in the European research project FORCE – Cities Cooperating for Circular Economy to develop new concepts for waste prevention and treatment, with a focus on waste electrical and electronic equipment. As a multi-metal recycler, Aurubis supports the project with its expertise for the purpose of improving the recycling of strategic metals (e.g., copper, gold, silver, and lead) through the best possible collection and dismantling system for waste electrical and electronic equipment.
- » Aurubis Lünen: consulting and assessment function in the ADIR project (EU-sponsored project to implement a new, automated recycling technology for electronic scrap)
- » First place for Aurubis AG and Grillo-Werke in the Responsible Care competition in the German state of North Rhine-Westphalia for the project Closing the Loop – The Shared Material Cycle of Aurubis and Grillo-Werke and second place in the nationwide Responsible Care competition (motto: “We have good ideas for a circular economy”)

Water

- » Optimization/expansion of the water treatment plant at the Pirdop site
- » Ongoing optimization of the rainwater retention, preparation, and usage facility to reduce the use of city water in Lünen

Air

- » Continuation of the voluntary agreement with the city of Hamburg for the further reduction of emissions in cooperation with the Hamburg Authority for Urban Development and the Environment
 - » Adjustment of slag handling at the site in Pirdop, Bulgaria, to further reduce fugitive emissions
-

Environment

EMAS: system with guidelines for environmental management systems and environmental audits

ISO 14001: standard for environmental management system guidelines

EN ISO 50001: standard for energy management system guidelines

EN ISO 9001: standard for quality management system guidelines

TS 16949: standard for quality management system guidelines for the automotive industry, based on ISO 9001

Efb: Waste Management Company (certificate in German)

¹ for the sale of iron silicate granules used to produce blasting abrasives

Certifications by site

Site	EMAS	ISO 14001	ISO 50001	ISO 9001	TS 16949	Efb
Hamburg, headquarters (DE)	x	x	x	x		
Lünen (DE)	x	x	x	x		x
Pirdop (BG)		x		x		
Olen (BE)		x		x		
Fehrbellin, CABLO (DE)		x	x	x		x
Nersingen, Strass, CABLO (DE)		x	x	x		x
Hamburg, E.R.N. (DE)		x	x	x		x
Buffalo (USA)				x	x	
Pori (FI)		x		x		
Avellino (IT)		x		x		
Zutphen (NL)		x		x	x	
Stolberg (DE)			x	x	x	
Emmerich, Deu. Giessdraht (DE)		x	x	x		
Stolberg, Schwermetall (DE)	x	x	x	x		
Röthenbach, RETORTE (DE)				x		
Hamburg, Peute Baustoff (DE)				x ¹		

Downloads

- ↓ Environmental Protection in the Aurubis Group and Consolidated Environmental Statement 2017
- ↓ Aurubis Sustainability Report 2015

Additional information

- 🔗 www.aurubis.com/responsibility
 - 🔗 Environment & Energy
 - 🔗 Product Responsibility
 - 🔗 Sustainability Management
 - 🔗 Certificates
- 🔗 www.cdp.net
- 🔗 www.eurometaux.eu
- 🔗 www.sustainablecopper.org
- 🔗 www.ce-force.eu
- 🔗 www.ica.com
- 🔗 www.mobilprofit.de
- 🔗 www.adir.eu

Anti-Corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Affirmations, regulations, and management systems

- » Affirmation of the German Corporate Governance Code
- » Code of Conduct
- » Compliance management
- » Risk management

Measures

- » Implementing compliance training sessions
- » Risk assessment
- » Business Partner Screening: screening all suppliers and customers under aspects of sustainability, compliance, and tax law
- » Whistle-blowing hotline (in multiple languages)

Activities in 2017 and assessment of the results

- » Implementing training sessions: In 2017, approximately 600 participants attended training sessions on antitrust and anti-corruption law.
- » Review of all business units for the risk of corruption as part of the institutionalized and routine risk assessment

Downloads

↓ Aurubis Sustainability Report 2015

Additional information

- » www.aurubis.com/corporate-governance
- » www.aurubis.com/compliance
- » www.aurubis.com/responsibility
- » www.aurubis.com/annual-report

Aurubis is heating HafenCity!

Aurubis AG is contributing to climate protection far beyond its own plant gates. Starting in the 2018/2019 heating period, a joint heat supply concept with the energy provider enercity Contracting Nord GmbH will supply HafenCity East, a recently developed Hamburg neighborhood, with heat discharged from Aurubis' processes. This heating concept is nearly CO₂-neutral.

In 2017, Aurubis laid the foundation for this game-changing contribution to an environmentally sound urban heat supply. In February 2017, Aurubis AG and enercity Contracting Nord GmbH signed a contract in the presence of Hamburg's Environmental Senator Jens Kerstan for supplying industrial waste heat to the Hamburg neighborhood HafenCity East. This will reduce carbon dioxide (CO₂) by more than 20,000 t per year in the future.

Aurubis removes the heat from what is known as the contact plant, in which the gaseous sulfur dioxide that accumulates in the process transforms into liquid sulfuric acid. The contact plant consists of three lines. About 160 million kilowatt hours (kWh) can be extracted from each individual line annually, for a total of nearly 500 million kWh. The heat from one line is sufficient to supply HafenCity East, which is why only one line will be converted initially.

Starting in late summer 2018, the heat will be transported to HafenCity East as warm water via a district heating pipe several kilometers long, which is currently under construction.

The project is unique in terms of its reach and sets new benchmarks for future heat supply approaches in cities. The district heating agreement is one of ten case examples for the project "Flagships of Energy-Efficient Waste Heat Use" started by the German Energy Agency (dena).

Aurubis could deliver significantly more district heating to the city of Hamburg in the future. With the establishment of the right technical, financial, and contractual foundations, saving up to 140,000 t of CO₂ would be possible. Aurubis is working on this intensively.



250 t heavy, 18 m high, and an outer diameter of 6 m: the intermediate absorber, the “heart” of the district heating system, stands on the Aurubis plant premises. The practically CO₂-free heat that will be used to heat the new neighborhood is formed in this cylindrical container.





A look ahead

In the past year, we carried out and initiated a number of measures to contribute to achieving the goals we have set. We gradually improve ourselves in this way, guided by a clear strategy and by our values, which are in line with the goals of the Global Compact.

In 2018 we want to continue standing up for sustainable development with our employees at our sites worldwide. We are aware that we can achieve the most when we put forth a joint effort. Consequently, we have made knowledge about sustainability topics an integral part of vocational training in the Group. The Aurubis apprentices' Sustainability Week took place recently again, this time with a focus on the UN Sustainable Development Goals (SDGs).

We will continue to advocate in the future as well: We promote the circular economy and our employees' safety and health. We are developing our environmental protection measures further and we are involved in various initiatives, for example the CSR Practitioner Days for the implementation of responsible supply chains and the partnership with ZEIT Wissen to support sustainable ideas and projects.

We have many plans – and we look forward to bringing them to life!



Sincerely,
Kirsten Kück

Sustainability Manager
Phone +49 40 7883-3270
k.kueck@aurubis.com

Hamburg, June 2018

Rankings and ratings 2017:

CDP Climate Change: B

oekom Corporate Rating: B-

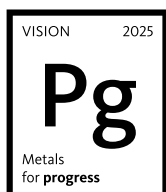
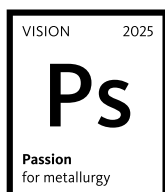
EcoVadis: Gold Status

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