

COMMUNICATION ON PROGRESS

CORRESPONDANCE TABLE BETWEEN MERSEN'S PRACTICES AND THE 10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

Correspondance table between the 10 principles of the UN Global Compact and Mersen's reference document at December 31, 2016.

PRINCIPLES OF UN GLOBAL COMPACT		2016 Reference Document
HUMAN RIGHTS		
<ul style="list-style-type: none"> - Principle 1: businesses should support and respect the protection of internationally proclaimed human rights ; and - Principle 2: make sure that they are not complicit in human rights abuses. 	<ul style="list-style-type: none"> - The Group's Code of Ethics restates the collective and individual commitment of the Group and its employees. It particularly addresses the Group's relationships with its employees, customers, suppliers, competitors, shareholders, and surrounding ecosystem. - The purchasing department set up a supplier audit system, covering questions related to compliance with the Code of Ethics and incorporating rules of compliance with the ILO's fundamental rights of workers. 	<p>P35</p> <p>P35</p>
LABOUR RIGHTS		
<ul style="list-style-type: none"> - Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; - Principle 4: the elimination of all forms of forced and compulsory labor; - Principle 5: the effective abolition of child labor; and - Principle 6: the elimination of discrimination in respect of employment and occupation. 	<ul style="list-style-type: none"> - The Group undertakes to comply with the fundamental principles and rights of the ILO (International Labor Organization) in compliance with legislation in effect. These laws address fundamental issues of labor law, including freedom of association, the right to organize and collective bargaining, the abolition of all forms of forced and compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation. - The Group's Code of Ethics restates the collective and individual commitment of the Group and its employees. It particularly addresses the Group's relationships with its employees, customers, suppliers, competitors, shareholders, and surrounding ecosystem. - Gender balance has been clearly identified and stated by Mersen as a priority area for improvement. Constant effort is required to integrate more women in all our business lines, including production. Many initiatives have been introduced in recent years, including hiring, career tracking, communication, awareness raising among managers, remuneration, greater flexibility for parents in professional life, organizational modifications, and workstation improvements to reduce physical constraints to the extent possible, thus enabling female operators to work there. 	<p>P19</p> <p>P35</p> <p>P21</p>

ENVIRONMENT		
<ul style="list-style-type: none"> - Principle 7: businesses should support a precautionary approach to environmental challenges; - Principle 8: undertake initiatives to promote greater environmental responsibility; and - Principle 9: encourage the development and diffusion of environmentally friendly technologies. 	<p>Regarding environmental practices, Mersen undertakes to:</p> <ol style="list-style-type: none"> 1. Comply with the regulations in force, in the form of legal and other requirements covering its products and existing installations; 2. Catalogue potential risks related to its installations and products, review whether prevention is sufficient to avoid any accidents that may pose a threat to people in the neighborhood or the surrounding area (particularly to customers, the workforce and those living close to production sites); 3. Visit installations periodically to detect anomalies; 4. Use incidents and best internal and external practices for a program of quality and continuous improvement based on experience-sharing; 5. Minimize consumption of water, energy, raw materials and packaging and encourage recycling and waste-to-energy conversion; 6. Foster progress through continuous improvement by rolling out an ISO 14001 Environmental Management System at the Group's major plants; 7. Promote eco-design, notably by extending use of EIME, the dedicated software system. <ul style="list-style-type: none"> - In the field, Mersen's environmental approach translates into a quest to identify best practices and an extremely high level of vigilance. It is intended to help the Group achieve a virtuous circle. - The Group pursues a collective and pragmatic approach involving all its employees, who are educated and receive training at every level of responsibility. - A significant share of Mersen's business is related to sustainable development industries, such as renewable energy, energy efficiency, and clean mass transit. - The Group strives to offer products with a limited impact on the environment. To this end, it endeavors to acquire the best available technologies, i.e. techniques that satisfy most effectively the sustainable development criteria, when designing its new manufacturing lines and its new products. - Research and development teams are trained in eco-design and, most of the time, specifications take into account the objective of reducing environmental impact. 	<p>P37 to 43</p>

ANTI-CORRUPTION		
<ul style="list-style-type: none">- Principle 10: businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none">- The Group's Code of Ethics restates the collective and individual commitment of the Group and its employees. It particularly addresses the Group's relationships with its employees, customers, suppliers, competitors, shareholders, and surrounding ecosystem.- The corporate and cross-audits carried out by the Group's internal audit function provide insight on a regular basis into whether these rules are applied properly.	P35 to 36

RELATED DOCUMENTS

- Extract of Mersen's 2016 Reference document: Chapter 2: Corporate Social responsibility and sustainable development
- Group Code of Ethics (December 2016 update)