

anti-mobbing policy at elemental capital group

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INTRODUCTION

The **Elemental Capital Group** as part of the applicable **Human Resource Management Policy**, has developed detailed regulations, including anti-mobbing, anti-harassment and anti-discrimination rules.

This **Anti-Mobbing Policy** has been introduced in order to establish a consistent standard procedure and response in case of unwanted conduct such as discrimination, mobbing and harassment. It has been implemented as an integral element of the Human Resource Management Policy adopted at the Elemental Capital Group. The Anti-Mobbing Policy shall be applied in all countries where companies of the Capital Group carry out their business activities and shall be followed by all employees or associates of the Organization, regardless of the type of contract providing a basis for their cooperation with

In accordance with the generally accepted principles of the Elemental Capital Group, all regulations, including this Policy, shall be subject to an obligatory review at least once every two years, whenever major amendments to legal regulations are introduced, when such a review is required due to the introduction of an amendment or another specific policy/internal procedure in the Elemental Capital Group, or if any other important reason arises.

The definitions used and not defined in this document and not containing a reference to another procedure, policy or regulations, shall have the meaning given to them in the Code of Ethics of Elemental Capital Group.

NOTION OF MOBBING

§ 1

The International Labour Organization defines mobbing as offensive behaviour through vindictive, cruel, malicious, or humiliating attempts to undermine an individual or group of employees, who become subjected to psychological harassment. Mobbing includes persistent and constant negative remarks or criticisms, isolating a person from social contacts, and gossiping or spreading false information.

For the first time, the term “mobbing” with regard to employee relations and the work environment was used by the Swedish physician and psychologist Heinz Leymann, who identified 5 categories of mobbing behaviours, as listed below. The purpose of this classification is to support employees in recognizing their experiences, as well as to help employers in classifying the behaviours observed or allegedly observed in the enterprise. The list presented below is not exhaustive and does not include all behaviours that can lead to mobbing, as the development of technology and change of customs may bring about new types of unwanted behaviours. However, this list should be used as a guideline and recommendation indicating behaviours requiring special attention in the company.

1. **Activities negatively affecting self-expression and communication in the workplace:**
 - a. a superior or associate limiting or restricting someone’s ability to express themselves;
 - b. constantly interrupting someone;



- c. responding to their statements and comments by raising one's voice, shouting, insulting, offending and threatening them;
- d. constantly criticizing their work, professional and private life;
- e. telephone terror;
- f. verbal and written threats;
- g. making humiliating, offensive gestures towards someone and/or giving them clearly negative, suggestive looks;
- h. using allusive language, avoiding expressing anything directly.

2. Activities negatively affecting social relations in the workplace:

- a. ignoring the victim;
- b. transferring them to work in an isolated place, and not allowing them to communicate with colleagues;
- c. banning employees/associates from talking to the victim;
- d. purposefully ignoring the victim, treating them indifferently and disregarding them.

3. Activities negatively affecting someone's reputation in the workplace:

- a. bad-mouthing the person concerned, spreading rumours about them, inventing nicknames;
- b. attempting to ridicule the victim and discredit them and various spheres of their life;
- c. making fun of their private life;
- d. imitating their gait, speech, gestures or facial expressions to make them look ridiculous;
- e. attacking their political or religious views, or general belief system;
- f. making fun of and attacking their nationality, skin colour, sexual orientation;
- g. making fun of their disability, handicap or special features;
- h. expressing suspicion that they are psychologically ill and seeking to force them to undergo psychiatric evaluation;
- i. making them the subject of obscene invectives or other degrading expressions;
- j. making them the subject of sexual approaches or offers.

4. Activities negatively affecting the quality of work and personal life:

- a. issuing official orders forcing the person concerned to carry out derogatory work which affects their dignity;
- b. unfairly judging their work engagement;
- c. questioning their decisions;
- d. not assigning them any tasks in order to prove that they are useless;
- e. requesting the performance of certain tasks and then ostentatiously withdrawing the orders;
- f. issuing absurd, contradictory or pointless orders;
- g. differentiating remuneration on the basis of an employee's/associate's gender;
- h. assigning tasks exceeding or below someone's qualifications;
- i. constantly assigning them new tasks with unrealistic deadlines in order to discredit them.

5. Activities that negatively affect the health of the individual:

- a. assigning them tasks that are harmful to their health or are beyond their physical capabilities;
- b. menacing them with physical force;
- c. maltreating them physically;

- d. causing the employee/associate concerned to bear costs;
- e. touching and/or harassing them sexually;
- f. causing them mental damage in the workplace or at home.

It should be emphasized that a particular activity can be classified as mobbing if it satisfies the following additional criteria:

- a. the behaviour occurs repeatedly – it is not a one-off and unintentional act;
- b. the behaviour is continuous and consistent;
- c. it is exercised over a significant period of time – this period is individual; it can be a few weeks, months or even years;
- d. the behaviour is intentional – the mobber is aware of his/her actions, understands the impact of his/her actions on the victim, and this impact is the mobber's goal;
- e. the behaviour usually has the form of psychological harassment and, much less often, of physical aggression;
- f. the behaviour causes the employee/associate concerned to feel less professionally useful;
- g. the behaviour humiliates or ridicules the employee/associate, results in their isolation or elimination from the team.

It is necessary to remember that:

- a. the mobber uses on his/her advantage over the victim – authority, age, reporting line, popularity, etc.;
- b. in the majority of cases, mobbing is not an act performed by an individual, but by a group of people cooperating in harassing the victim;
- c. mobbing is usually concealed, it takes places behind closed doors, in velvet gloves, only in the presence of those taking part in it; when someone uninvolved is present, negative behaviours stop and can even transform into seemingly nice, helpful and kind acts;
- d. attempts are usually made to convince the victim and their environment that the victim has a mental disorder;
- e. damaging the victim's reputation plays an important role in the mechanism of mobbing activities.

The following is not considered mobbing:

- a. one-off act humiliating, ridiculing, disregarding an employee/associate, regardless of how improper such treatment of an employees/associate is, shall not be considered mobbing (but can be recognized as harassment or other behaviour violating an employee's/associate's personal rights);
- b. justified criticism – reprimanding the employee/associate, indicating errors, suggesting improvement in case of non-fulfilment or improper fulfilment of their duties, or if their duties are fulfilled in an unreliable, low-quality way, are justified and are the responsibility of management;
- c. conflict – when people do not like each other and are in conflict with each other. Conflict differs from mobbing in that in a conflict situation both parties, in theory, try to resolve it, while this does not apply to mobbing;
- d. working conditions that do not comply with occupational health and safety requirements (poor working conditions can be considered mobbing only if they refer to one person who is also subjected to other forms of harassment);
- e. discomfort at work, dissatisfaction with the allocated duties, unwillingness to perform allocated tasks, being bored of one's work, feeling unfulfilled at one's job, lack of satisfaction;
- f. stress related to allocated duties, demanding or difficult works;



- g. holding an employee/associate responsible for infringing regulations of the Organization, including employee rules, or failure to fulfil duties;
- h. setting forth high work quality requirements which, however, are suitable for the particular position.

There are three level of mobbing:

- upward mobbing – it occurs when a superior is the victim and one or more of their subordinates are mobbers;
- descending mobbing – a subordinate is subjected to mobbing by a manager, employer or management representative;
- horizontal mobbing – a victim is subjected to mobbing by a group of employees to which they belong or on which they depend.

NOTION OF DISCRIMINATION

§ 2

Discrimination is the unequal treatment of employees with respect to entering into and terminating the employment relationship, employment conditions, promotion and access to training in order to develop professional qualifications, particularly due to race, skin colour, gender, religion, political views, nationality, social back- ground or any other basis, especially trade union membership and individual characteristics, such as age, disability, pregnancy, marital status, sexual orientation, being HIV positive, as well as due to employment for a fixed or indefinite period, on a full- or part-time basis, in the remote work system, or to how employment is per- formed.

There are two types of discrimination: direct and indirect.

- a. Direct discrimination is where a person receives less favourable treatment than another person in a similar situation, due to an objective criterion or characteristic (e.g. gender, age, disability, race, religion, nationality, political views, belief system, trade union membership, ethnic origin, religious convictions, sexual orientation, or due to employment for a fixed or an indefinite period, on a full- or part-time basis, or in the remote work system), e.g. when in practice, in the case of a particular position, the gender criterion is applied.
- b. Indirect discrimination is where an apparently neutral criterion (e.g. gender, age, sexual orientation, etc.) is applied to the disadvantage of a person or group over another, e.g. a provision is introduced in the remuneration rules stating that only persons working 40 hours a week may apply for a bonus, while the company employs persons with disabilities, whose working time is 35 hours a week, which means that they are not entitled to the bonus.

NOTION OF HARASSMENT

§ 3

Harassment is where unwanted conduct occurs with the purpose or effect of violating the dignity of an employee/associate and of creating an intimidating, hostile, degrading, humiliating or offensive environment. Harassment can be a one-off event.

Sexual harassment is a type of sex-based discrimination. Sexual harassment is any unwanted conduct of a sexual nature or related to the employee's/associate's gender with the purpose or effect of

violating the dignity of the employee/associate, especially creating an intimidating, hostile, degrading, humiliating or offensive environment; this behaviour may comprise physical, verbal or non-verbal elements.

GENERAL PRINCIPLES AND RECOMMENDATIONS

§ 4

General principles

Employees/associates should have equal rights resulting from identical performance of identical duties. This does not mean that all employees of a given employer are to be treated equally. At the same time, criteria (basis) shall be defined that cannot justify differentiating the situation of employees (prohibition of discrimination).

Companies of the Elemental Capital Group shall be obliged to follow in their activities the principle of equal opportunities and equal treatment, and shall not discriminate against their employees/associate, especially on the basis of their race, skin colour, gender, religion, political views, nationality, social background, or any other basis, especially trade union membership and individual characteristics, such as age, disability, pregnancy, marital status, sexual orientation or being HIV positive, **unless**:

- a. selecting employees in such a way is consistent with government policy promoting employment equality or is due to the specifics of the position;
- b. different treatment as to the possibilities and conditions for taking up and performing work is justified where the type or characteristics of the particular professional activity make the different treatment a real and decisive occupational requirement for the particular natural person, proportional to reaching the lawful aim of the differentiation of the situation of such a person;
- c. different treatment of natural persons on the grounds of age is objectively and rationally justified by a legitimate aim, especially the aim of professional training, provided that the means of achieving that aim are appropriate and necessary;
- d. different treatment is justified on the grounds of citizenship of natural persons who are not citizens of EU member states, members states of the European Free Trade Association (EFTA) – parties to the European Economic Area Agreement or the Swiss Confederation – and their family members, in particular with respect to conditions of entry and stay in the territory of a particular country and conditions related to legal status.

Recommendations

Every Elemental Capital Group company which is an employer shall be obliged to ensure a work environment free from any behaviour violating the principles of social co-existence, such as mobbing, harassment, and both direct and indirect discrimination. To this end, the following preventive measures should be introduced:

- a. this Anti-Mobbing Policy should be introduced, employees/associates shall be notified of this and shall be consistently reminded of the need to comply with it;
- b. at least once a year, a diagnosis of the situation in the enterprise should be carried out in the form of anonymous surveys among employees; it should cover the following issues:
 - i. whether mobbing and any other unwanted behaviours occurred in the company;
 - ii. what behaviours are the most troublesome;
 - iii. what the atmosphere among employees/associates is;

- iv. whether employees and associates are subjected to mobbing;
- v. how mobbing is understood;
- vi. what preventive measures would be most expected;
- c. information, training and advisory activities among management and employees/associates should be carried out regarding fundamental knowledge about mobbing.

In order to ensure equal opportunities and equal treatment, companies of the Capital Group shall implement the following steps:

- a. introduce a systematic organizational structure determining in a standardized way the type and hierarchy of positions, requirements for people hired for a given position, the salary range for a given position, as well as the system of fringe benefits and bonuses;
- b. ensure that the job requirements do not refer to grounds that could violate the principle of equality;
- c. guarantee that requirements considered discriminatory are not applied in the recruitment or promotion process, in particular making hiring or promotion dependent on age, gender, marital status, etc.;
- d. decisions related to the recruitment process, hiring process, promotion and termination of the employment relationship shall be made in accordance with procedures adopted in the Company, with the participation of persons able to verify the decisions taken (participation of the HR Department, approval of Management Board, etc.);
- e. ensure that employees receive equal remuneration for the same work, provided that factors such as years of service, skills or experience may affect the differentiation of remuneration within the salary ranges determined in accordance with point a;
- f. allow the choice of various forms of employment approved in national systems.

Companies of the Capital Group are obliged to respond to all forms of harassment, discrimination, unequal treatment or mobbing and to initiate relevant measures to eliminate them permanently, while maintaining proper discretion. Superiors shall be responsible for identifying unwanted behaviours and responding thereto in a clearly critical, active, adequate and prompt way.

All employees and associates shall be obliged to maintain a friendly atmosphere at work, to counteract mobbing, harassment and discrimination, and to respond to unwanted behaviours.

No employee or associate who reports harassment, discrimination, unequal treatment or mobbing in accordance with the **Whistleblowing Procedure** or who provides any support to the victim will suffer any negative consequences.

Any behaviour showing features of mobbing, harassment or discrimination constitutes a breach of employee duties, provisions of law and internal regulations applicable in the Organization and may provide the basis for the company to apply measures and sanctions provided for in the relevant regulations and procedures.

PROCEDURE IN CASE OF MOBBING,
HARASSMENT OR DISCRIMINATION

§ 5

Every employee/associate who believes they have experienced mobbing may submit a complaint in accordance with the **Procedure for reporting irregularities** applicable in the Organization. Any activities related to reporting violations shall be carried out in accordance with principles of confidentiality and impartiality, binding on all participants of such proceedings.

Any doubts pertaining to the application of the Procedure for reporting irregularities shall be reported to the Elemental Capital group Compliance Department: compliance@elemental.biz.



Elemental Holding SA

20, rue Eugène Ruppert, L-2453 Luxembourg
p: +352 26 49 32 27, e: office@elemental.biz

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