



**POLICY STATEMENT ON HUMAN RIGHTS STRATEGY AND RESPECT  
FOR HUMAN RIGHTS**

updated: December 2023

People.  
Values. Future.



## Policy statement on human rights strategy and respect for human rights

The HÖRMANN Group is a highly diversified group of companies that operates worldwide with more than 25 operating companies in 15 strategic segments. This high level of heterogeneity in products and services, in technologies and applications and in regional markets also leads to substantial diversity in terms of our business partners, for example customers, suppliers and development partners.

The values of the HÖRMANN Group – drive, innovation, equality and responsibility – provide ongoing guidance for its business activities. The high level of personal responsibility that each individual takes on and exercises for the HÖRMANN Group as a community and as a team, acting in accordance with economic standards and, at the same time, ethical values and complying with defined guidelines and rules are an elementary part of the HÖRMANN Group's everyday approach to work.

The overriding principle of “responsibility” has underpinned the HÖRMANN Group as a family business for more than 65 years and has kept us on a growth trajectory from both an economic and ethical perspective. At the HÖRMANN Group, we are constantly maintaining and earning the trust of our customers, suppliers, business partners, investors and the public. This policy statement on human rights strategy and respect for human rights is intended to support the HÖRMANN Group in this endeavour and to ensure that the good reputation of the HÖRMANN Group and all its affiliated companies is maintained in the future.

In this context, the HÖRMANN Group is committed to respecting human rights and taking responsibility, particularly when it comes to its supply and value chain. The HÖRMANN Group respects internationally recognised human rights and takes full responsibility for preventing human rights violations within the scope of its operating activities and remedying without

delay any human rights violations that are identified, especially within its supply chains.

This policy statement therefore applies to all companies of the HÖRMANN Group and thus to all direct and indirect subsidiaries of HÖRMANN Industries GmbH, which work towards ensuring that the principles set out in this policy statement are also promoted, respected and complied with specifically in the supply chain and thus throughout the entire value chain and are enforced for suppliers. The HÖRMANN Group does not tolerate violations of internationally recognised human rights or national and international environmental protection regulations. The policy statement is regularly reviewed and updated in line with relevant changes.

### Principles

The HÖRMANN Group is aware that it will be successful in the long term only if its operating activities are consistent with economic, ecological and social aspects. As a family business, responsibility for the world in which we live and reliable relationships with employees, customers, suppliers, business partners and stakeholders are core aspects of our corporate focus.

Against this background, the HÖRMANN Group is committed to the UN Guiding Principles on Business and Human Rights and undertakes to make specific contributions to achieving the United Nations Sustainable Development Goals.

In addition, the following international regulations constitute authoritative standards and guidelines for the HÖRMANN Group and form the basis of its human rights and environmental due diligence obligations:

- ◆ United Nations Universal Declaration of Human Rights/International Bill of Human Rights (UN)
- ◆ United Nations (UN) Guiding Principles on Business and Human Rights
- ◆ United Nations (UN) Convention on the Rights of the Child
- ◆ UN Convention on the Elimination of All Forms of Discrimination Against Women
- ◆ Core labour standards of the International Labour Organization (ILO)
- ◆ OECD Guidelines for Multinational Enterprises
- ◆ Principles of the UN Global Compact
- ◆ International Covenant on Civil and Political Rights
- ◆ International Covenant on Economic, Social and Cultural Rights

The standards and values enshrined in these frameworks are also reflected in our own guidelines and form the binding framework for our management, employees, business partners and suppliers as they perform their tasks.

Our employees, business partners and suppliers must fulfil the human rights and environmental due diligence obligations outlined in this policy statement and avoid negative impacts. In particular, we ask our suppliers to communicate our human rights and environmental requirements to any subcontractors.

The principles of human rights and environmental strategy set out in this policy statement apply throughout all of the HÖRMANN Group's divisions, including its subsidiaries in Germany and abroad. Respect for and observance of human rights and environmental obligations is a basic prerequisite for working with the HÖRMANN Group.

## I. The Supply Chain due Diligence Act/Measures

The aim of the Lieferkettensorgfaltspflichten-gesetz (LkSG – German Supply Chain Due Diligence Act) is to guarantee human rights and environmental standards throughout the entire supply chain. To this end, it establishes a number of protected legal positions and extensive due diligence obligations designed to prevent violations of these.

Pursuant to Section 6 II of the LkSG, every company covered within the scope of the act must adopt a policy statement on human rights strategy. This statement must describe the process by which a company fulfils its due diligence obligations in its own business divisions and throughout its supply chain. The human rights and environmental risks that have been prioritised on the basis of a risk analysis must be specified. Finally, the policy statement on the human rights strategy describes the human rights and environmental expectations that a company places on its employees and suppliers in the supply chain.

### Respect for human rights and the environment throughout the supply chain

The HÖRMANN Group takes appropriate and effective measures to identify and verify human rights and environmental risks in its own business divisions and throughout the supply chain and to prevent these risks from materialising. If it is established that a violation of a human rights or environmental obligation has occurred or is imminent, a targeted corrective process is implemented whereby individual measures are taken to stop the violation and minimise its consequences.

All measures that are taken as part of our human rights and environmental responsibility follow the principle of “engagement before disengagement”: we are committed to supporting our business partners in preventing and putting an end to violations of human rights or environmental regulations before we cease business relationships or switch to alternative sources of supply.

### Measures for effective risk management

The due diligence obligations are implemented for our own business divisions and the entire supply chain as part of a risk management system. Through the horizontal and vertical integration of the due diligence obligations into all relevant business processes, the HÖRMANN Group ensures that risks are identified and preventive and corrective measures are implemented in a targeted manner. The operational implementation of and compliance with the stated corporate principles by each company of the HÖRMANN Group or their management/ executive board is monitored across the Group.

### Effective risk management

The risk management system establishes processes for implementing the due diligence obligations and defines areas of responsibility, competences and reporting lines. The HÖRMANN Group takes a horizontal approach to due diligence obligations. All relevant departments, such as Sustainability, Procurement and Production, are involved in the implementation steps. Implementation of the due diligence obligations is monitored at the holding company level of the HÖRMANN Group by the Compliance division.

Vertical integration of the due diligence obligations involves establishing supervisory and coordination responsibilities at management level. Overall responsibility for meeting the human rights and environmental due diligence obligations lies with the relevant management. The HÖRMANN Group has appointed a human rights officer who monitors risk management for its own business divisions and the entire supply chain and carries out regular effectiveness reviews. The human rights officer reports directly to management.

### Identifying, weighting and prioritising risks

The HÖRMANN Group carries out comprehensive risk analyses to examine compliance with human rights and environmental obligations within its own business divisions and at its direct suppliers. We draw on both internal and external expertise in this process. The complexity and scope of our international supply chain requires the use of technical solutions that help us identify, verify, weight and prioritise risks.

Our risk analysis system allows us to determine the individual risks of each business partner and supplier. Taking into account the general supplier information – in particular country of origin and industry – an abstract risk analysis is carried out based on a large number of recognised indices and studies by external experts. We then whether business partners are exposed to any specific human rights or environmental risks on the basis of supplier self-assessments, an AI-driven media analysis tool, verified certifications and our own findings from inspections or business processes. It is not only the business partner’s country of origin and industry that are taken into account here. We also analyse product risks, trading

level risks, the complexity of upstream supply chains and a wide range of other data in order to narrow down, localise and identify risks at an early stage.

We weight and prioritise risks by comparing the expected severity of a potential legal violation and whether or not it is reversible with the probability of occurrence. We also take into account the potential role that we may ourselves be playing in the causes, as well as the extent of our influence in order to prioritise risks and to take targeted action where there is a threat of risks materialising. Using a risk matrix, we identify where action is required on our part and initiate preventive and corrective measures where they are necessary.

### Taking preventive action

The comprehensive risk analysis is supplemented by appropriate and effective preventive measures. An internal code of conduct is in place in our own business divisions that clearly and comprehensibly summarises the expectations placed on and the rights of our employees.

The HÖRMANN Group offers employees extensive training and educational opportunities. The employees responsible for implementing the human rights and environmental due diligence obligations regularly take part in training programmes in order to meet the international requirements for human rights and environmental protection throughout the entire supply chain. We offer our business partners and suppliers training and further education opportunities so that they too are empowered to promote human rights and environmental protection within their business

operations. The HÖRMANN Group also carries out regular and ad hoc checks in its own business divisions to identify and minimise risks at an early stage. We monitor suppliers within the scope of the law (e.g. regarding the validity and authenticity of certificates).

The HÖRMANN Group requires its suppliers to communicate the HÖRMANN Group's human rights and environmental expectations throughout the relevant supply chain and to continuously monitor their compliance with these expectations. To this end, the HÖRMANN Group's Code of Conduct for Suppliers forms the basis for entering into a new business relationship.

#### **Corrective measures**

Effective corrective measures must be taken when a violation of a human rights or environmental obligation occurs or is imminent.

The HÖRMANN Group initiates corrective measures immediately after identifying a relevant violation. In this process, we develop customised corrective measures for each situation and for each direct or indirect supplier to remedy violations. At the same time, we have developed a series of framework measures that can be activated immediately as part of a modular system and specific details provided in response to violations. We establish a process, performance targets and clear internal company responsibilities for each corrective measure. Each corrective measure has a specific timetable and may include interim targets. The system-based measures link all relevant stakeholders.

#### **Following up on information provided**

A functioning complaints procedure that is accessible to all those involved in the supply chain, from employees and suppliers to third parties who are impacted by our activities or those of our suppliers, plays an important role in identifying risks and violations in the supply chain. It is important here that information can be submitted anonymously and confidentially.

Our online whistleblowing system is multilingual and takes the complexity of our supply chain into account. Accessing the procedure is simple to make it as easy as possible to submit information. Information is handled confidentially and swiftly. The employees involved in processing complaints are not subject to any instructions within the framework of the complaints management; their neutrality is guaranteed. Each complaint triggers an evaluation and action process, the result of which is that the reported violation is remedied or the risk identified is minimised. Information and complaints are also automatically taken into account as part of the risk analysis.

#### **Responsibility throughout the supply chain**

The HÖRMANN Group takes its responsibility for the entire supply chain very seriously. Accordingly, we also extend our risk analysis to suppliers who may not have a direct business relationship with us but are nevertheless part of our supply chain.

The long-term goal is to create complete transparency in the supply chain. Despite any understandable conflicting interests of some suppliers, we endeavour to identify indirect suppliers and include them in the risk analysis. To this end, we rely on close collaboration with our

direct suppliers to increase transparency in the supply chain in a cooperative manner and for the benefit of all.

#### **Documentation and reporting**

The implementation of all due diligence obligations is documented on an ongoing basis. We use a centralised risk management system to bring together all the information available to us concerning identified risks and the preventive and corrective measures taken.

We are also committed to transparent communication on the human rights and environmental challenges that the HÖRMANN Group faces. Through our public reporting, at least once a year we provide information on the risks that have been identified, the measures that have been taken and the progress that has been achieved.

#### **Measures**

Any human rights or environmental risks identified are addressed through appropriate and effective measures. The HÖRMANN Group sets specific targets here that must be met in a measurable manner within a defined time-frame. Measures to minimise risks may include product and/or raw material certifications, supplier checks, participating in industry initiatives, developing our own standards, carrying out funding projects or searching for alternative sources of supply.

## **II. Internal Communication (Whistleblowing)**

HÖRMANN Group employees are encouraged to report any suspicions or complaints regarding possible violations of the regulations set out in this policy statement on human rights strategy and respect for human rights, as well as other relevant legal provisions. In particular, they are encouraged to do so using confidential communication channels where the identity of the employee concerned is not disclosed.

Even before the complaints system described above was set up and against the background of the EU Whistleblower Directive (2019/1937), the HÖRMANN Group had already established an electronic whistleblower system based on current legal requirements in connection with the future Hinweisgeberschutzgesetz (HinSchG – German Whistleblower Protection Act).

## **III. Information/Training**

Our aim is to ensure respect for and guarantee human rights in all processes within the HÖRMANN Group. To this end, we raise awareness among our employees, suppliers and business partners, for example through training courses and information materials, regularly address human rights issues directly and make our expectations clear.

The HÖRMANN Group regularly trains its employees, in particular on proper workplace conduct, compliance with the human rights strategy and respect for human rights, ethical decision-making and compliance with laws and regulations.



#### IV. Child Labour

Child labour is prohibited. The minimum age for admission to employment in accordance with national regulations is observed. If there are no national regulations, Convention 138 of the International Labour Organization (ILO) applies accordingly.

This stipulates that no children under the age of 15 may be employed directly or indirectly, unless the exceptions in Articles 6 and 7 of the ILO convention apply. The HÖRMANN Group and its business partners ensure that young employees under the age of 18 do not work overtime or at night and are protected against working conditions that are detrimental to their health, safety, morale or development.

#### V. Freedom of Association

The HÖRMANN Group respects the freedom of association and the right to form interest groups. It grants its employees the right to exercise and express their interests on the basis of national legislation and expressly encourages them to do so.

Employees have the right to conduct collective bargaining to resolve workplace and wage issues, for example. Accordingly, it is a fundamental requirement within the HÖRMANN Group that the asserting these rights must not under any circumstances be punished with reprisals and so it works towards ensuring that this principle is also upheld at customers, suppliers and business partners.

#### VI. Forced Labour

The HÖRMANN Group and its business partners reject any deliberate use of forced and compulsory labour as well as any form of modern slavery and human trafficking. It does not practice debt bondage or use involuntary prison labour. Employment relationships are entered into voluntarily and can be terminated by employees at their own will and after giving reasonable notice.

#### VII. Security Forces

The hiring or use of private or public security forces is prohibited if this would result in failure to comply with the prohibition of torture and cruel, inhuman or degrading treatment, injury to life or limb or would impair the freedom of association and union is impaired because the parties involved (e.g. suppliers) fail to instruct or control the security forces used.

#### VIII. Discrimination and Harassment

The HÖRMANN Group and its business partners reject any form of discrimination and harassment. Business partners may not discriminate against employees, for example on the grounds of ethnic origin, skin colour, gender (in particular, but not exclusively, with regard to the rights of women and persons who register their gender as “non-binary”), religion, nationality, sexual orientation, social background, age, physical or mental disabilities, marital status, pregnancy, trade union membership or political views, provided these are based on democratic principles and tolerance towards those with different opinions.

In particular, the HÖRMANN Group respects the rights of local communities, minorities, indigenous peoples and other vulnerable

» Strict compliance with human rights, social standards and high ethical standards are a matter of course in the HÖRMANN Group. «

MICHAEL RADKE, CEO



groups and endeavours to avoid any negative impact on them. Furthermore, diversity, variety and inclusion are explicitly encouraged as part of integrated and fair social progress, with the aim of creating a corporate culture in which diversity is actively practised by and benefits everyone and all people are equally represented.

Employees are selected, hired and promoted on the basis of their qualifications and skills. This equality of opportunity is therefore practised both when looking for new employees (ethical recruitment) and throughout the employment relationship.

The HÖRMANN Group and its business partners are committed to a working environment that is free from harassment. They set out to promote a social environment that embodies respect for the individual. The HÖRMANN Group and its business partners ensure that employees are not subjected to any inhumane physical or psychological treatment, physical punishment or threats.

## IX. Remuneration and Working Hours

The remuneration and benefits paid or provided for an average working week meet or exceed legal regulations. If there are no statutory or collectively agreed regulations in force, remuneration and benefits are based on industry-specific, standard local remuneration and benefits that ensure a reasonable standard of living for employees and their families.

The HÖRMANN Group and its business partners guarantee that the working hours comply, at a minimum, with the respective national legal requirements or the minimum standards of the respective national economic sectors. If there are no legal requirements or minimum standards in place, the ILO's international standard of a maximum of 48 hours per week and a break of at least 24 hours every seven days applies. According to the ILO, a maximum of 12 hours of overtime per week may be worked on a temporary basis and in emergencies, for example when urgent repair work has to be carried out.

## X. Intellectual Property/ Information Security

The HÖRMANN Group respects the intellectual property of its customers, suppliers, business partners and competitors. Irrespective of the relevant commercial value, the term intellectual property covers all products of an intellectual nature. Intellectual property is protected by laws such as copyright, trade mark, design and patent law. In addition, intellectual property can also be protected as a trade secret or in the form of expertise. Intellectual property is used by the HÖRMANN Group only where the corresponding right-of-use assets are available.

Infringements of intellectual property include, for example, the performance, distribution, exhibition or technical and commercial exploitation of protected works without appropriate authorisation and the unauthorised reproduction and distribution of physical and digital copies of intellectual property.

Our customers, suppliers and business partners recognise these guidelines on intellectual property, and our employees will ensure that intellectual property is adequately protected and therefore infringements of intellectual property are avoided during the HÖRMANN Group's operating activities. In view of this, the use or other circulation of plagiarised or counterfeit materials is strictly prohibited, and any incidents that are detected will be brought to the attention of the responsible body immediately.

The HÖRMANN Group attaches great importance to information security and data protection and expects its suppliers and service providers to respect and uphold these principles to the same extent. In this respect, they are required to protect confidential information and data and grant access only to authorised persons.

In conjunction with this, compliance with access restrictions and appropriate security measures is expected in order to ensure the security of the HÖRMANN Group's data. In addition, the HÖRMANN Group expects compliance with all applicable data protection and security laws and regulations. Any security incidents or data privacy breaches are expected to be reported immediately. Close cooperation with our suppliers and service providers is

designed to ensure that the relevant joint obligations are fulfilled. Violations of these guidelines may have contractual consequences, as we protect and safeguard the privacy and security of our customers and partners.

## XI. Financial Responsibility

The HÖRMANN Group is committed to truthful reporting to employees, customers, business partners, suppliers, the public and regulatory authorities and is aware of its responsibility to maintain complete, accurate and truthful business documents and records, including financial statements, quality reports, time records and expense reports. Employees are required to do their utmost to comply with these principles.

These documents are prepared on time and in accordance with applicable laws and generally accepted accounting principles.

## XII. Conflicts of Interest

Business decisions in the HÖRMANN Group are in no way influenced by personal interests, and transactions of this kind are strictly and unconditionally rejected. Decisions in the HÖRMANN Group are made objectively and on the basis of formal business processes. This prevents situations in which personal or financial conflicts of interest may arise.

## XIII. Environmental Protection

The HÖRMANN Group is responsible for continuously improving the environmental impact of its products and services and for reducing the use of natural resources over the entire life cycle, while taking economic aspects into account.

All relevant environmental laws and regulations must be observed by the HÖRMANN Group and all business partners in all countries in which they operate. All parties involved must take into account the impact on natural resources and the environment, customers and employees as they carry out their work and ensure that they comply with all applicable laws on emissions, waste water, toxic substances and, if applicable, the disposal of hazardous waste.

Worldwide, laws and regulations (e.g. RoHS and REACH) prohibit or restrict certain substances and/or require manufacturers and suppliers to provide information about regulated substances found in their products.

All HÖRMANN Group employees are required to use water responsibly and minimise water consumption as far as possible. The HÖRMANN Group endeavours to effectively use, reuse or, if possible, recycle the scarce resource of water within the framework of its operating activities (the efforts to improve overall water quality help to protect the environment). Emissions that contribute to local air pollution must be regularly monitored, appropriately controlled and generally minimised and prevented as far as possible.

Appropriate protective measures must be taken in the HÖRMANN Group in all activities that could potentially have an adverse effect on soil quality (in particular, but not exclusively, regarding forest soil). The proper disposal of waste, especially hazardous and contaminated waste, aims to prevent soil contamination. In general, the unlawful forced eviction and

unlawful seizure of land, forests and bodies of water is strictly prohibited when acquiring, building on or otherwise utilising land, forests and bodies of water that safeguard a person's livelihood.

The responsible treatment of animals is reflected in the HÖRMANN Group's "Responsibility" corporate value. The company expects all employees and third parties to comply with relevant national and international laws, regulations and frameworks governing the protection and welfare of animals. Animal experiments are acceptable to the HÖRMANN Group only if they are essential for human health or required by law and only if they are conducted in strict compliance with the relevant legal provisions. Violations of animal welfare regulations by employees or external third parties can and should be reported, e.g. via the HÖRMANN Group's electronic whistleblower and complaints system.

In terms of responsible chemicals management, the HÖRMANN Group also strives to identify, minimise or avoid the use of restricted substances in its manufacturing processes and finished products to ensure compliance with legal regulations. If reportable substances are used in processes or products, the HÖRMANN Group endeavours to find substitutes.

Finally, in line with the level of ambition of the Science Based Targets Initiative (SBTi), the goal has been set of reducing scope 1 and 2 emissions by 42% by 2030 compared to the base year 2022. Appropriate measures to decarbonise and increase energy efficiency are identified, planned and implemented within the respective subsidiary. The HÖRMANN Group

is also aiming to achieve carbon neutrality (Scope 1 to 3) by 2045. The HÖRMANN Group is committed to reporting its greenhouse gas emissions annually to ensure transparency in terms of the progress made towards decarbonisation.

#### XIV. Responsibilities for Human Rights due Diligence at the HÖRMANN Group

The management of the holding company is responsible for implementing and complying with the policy statement on the human rights strategy and respect for human rights at the HÖRMANN Group. The managing directors (or executive board members) of the subsidiaries monitor the operational implementation of and compliance with the stated corporate principles.

Procurement, Sales and Production and their managers play a particularly important role when it comes to implementing human rights due diligence in the supply and value chains.



» The sustainability report offers the opportunity to further optimise processes.«

JOHANN SCHMID-DAVIS, CFO

#### Outlook

For the HÖRMANN Group, implementing the human rights strategy and respecting human rights play a key role in achieving the United Nations Sustainable Development Goals. We are aware here that achieving these goals is an ongoing process.

Against this background, the HÖRMANN Group is committed to continuously reviewing, developing and improving its own measures. The effectiveness and efficiency of all human rights and environmental due diligence obligations must be guaranteed at all times. Effectiveness reviews are carried out on an ad hoc basis and at least once a year. Further developments and measures put into place are presented regularly and transparently in the HÖRMANN Group's sustainability reporting and elsewhere.

Kirchseeon, 15 December 2023  
HÖRMANN Industries GmbH

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