

DECLARATION OF PRINCIPLES

ACT ON CORPORATE DUE DILIGENCE
OBLIGATIONS IN SUPPLY CHAINS

LIEFERKETTENSORGFALTSPFLICHTENGESETZ (LKSG)

DECLARATION OF PRINCIPLES

according to the Act on Corporate Due Diligence Obligations in Supply Chains Lieferkettensorgfaltspflichtengesetz (LkSG)

Häcker sees itself as a company with international connections and acknowledges a special responsibility to contribute to the improvement of global human rights conditions along its supply chains, aiming to conduct business relationships socially and environmentally responsibly.

The increasing integration of Häcker into global procurement and sales markets presents both opportunities and challenges: New markets and production facilities are opened, creating jobs and prosperity. However, risks arise from opacity and the potential lack of enforcement of internationally recognized human rights and environmental standards in the supply chains.

Häcker commits to respecting, protecting, and adhering to the individual's human rights and universally recognized environmental standards. We acknowledge this responsibility as a company and aim to ensure that our suppliers also adhere to human and environmental rights standards to an appropriate extent.

Risk management and activities

To fulfil its responsibility and due diligence under the LkSG, Häcker has established an effective risk management system following the concepts of the German Furniture Industry Association (VDM) and the German Furniture Quality Association (DGM). This system identifies and assesses risks related to applicable human rights and environmental standards within Häcker's own business area and its suppliers.

Based on risk assessments, Häcker takes appropriate measures to prevent and minimize human rights or environmental risks within its own business area and among its immediate suppliers.

Some of the implemented measures include: :

- Appointment of a human rights officer
- Training and annual instruction of internal managers regarding compliance with the fundamental values.
- Continuous awareness-raising among employees and involvement of immediate suppliers in implementing the mentioned standards in daily business and conscious handling of violations
- Implementation of an easily accessible and systematic complaints procedure: Information can be received externally via a neutral contact trained in the LkSG and appointed by Häcker. Contact details can be accessed via the Häcker website: www.haecker-kuechen.com/en/compliance. Internally, reports can be submitted through Häcker's headquarters, our executives, the works council, and the Human Rights Officer. All received reports undergo uniform processing by the Human Rights Officer, with documentation. This process is continuously monitored and checked for effectiveness.

- Implementation of management systems as well as regular participation in and positive evaluation through certification procedures that serve to ensure compliance with standards for the protection of human rights and the environment
- Compliance with human rights and environmental standards in product development and material selection, which can directly reduce or eliminate risks
- Obtaining contractual assurances from direct suppliers that human rights and environmental expectations will be met and further addressed and, if necessary, may be reviewed by Häcker or Häcker's representatives
- Annual and event-driven risk analysis of our own business unit and direct suppliers with regard to the areas of responsibility to be considered
- Targeted risk analysis when accepting new suppliers
- Targeted media-based analysis of risks in the industry
- Conscious and systematic consideration of the findings from the risk analyses when designing the procurement processes, e.g. when selecting and evaluating our suppliers
- Conducting internal and supplier audits that address LkSG topics
- Regular preparation of a report on events relevant to human rights and environmental protection, which is submitted to Häcker's management as part of the management review
- Support for various social projects
- Participation in the "LkSG" industry working group to continuously optimize the procedure

If violations of basic human rights or environmental values are identified in the context of risk management, Häcker undertakes to immediately define and implement individual measures that lead to an end or minimization of the violations – if necessary also together with the direct supplier.

Areas of responsibility with commitments

Häcker represents diverse human rights-related values as well as social and environmentally sustainable claims that should be fulfilled by both Häcker itself and its immediate suppliers. Ongoing responsibility areas include:

Social responsibility

- Exclusion of forced labour
- Prohibition of child labour
- Fair remuneration
- Fair working hours
- Freedom of association
- Prohibition of discrimination
- Health protection; safety in the workplace
- Accessible complaint management
- Procurement of so-called conflict minerals from responsible and conflict-free sources in compliance with the requirements of the Conflict Minerals Regulation (EU) 2017/821

Ecological responsibility

- Proper treatment and discharge of industrial wastewater
- Ecological handling of air emissions
- Safe handling of waste and hazardous substances
- Development of measures to reduce the consumption of raw materials and natural resources
- Resource-conserving use of energy

Ethical business conduct

- Fair competition
- Confidentiality / data protection
- Protection of intellectual property
- Integrity as a fundamental ethical attitude and avoidance of bribery and conflicts of interest
- Compliance with regulations to prevent money laundering and terrorist financing
- Compliance with foreign trade regulations

Expectations of employees

All employees are required to comply with and implement the obligations arising from the areas of responsibility to which Häcker is committed.

Expectations of suppliers

We expect our suppliers to also commit to respecting human rights, to establishing appropriate processes and to passing on this expectation within the supply chain.

Statement by the management

This declaration of principles is adjusted regularly and as needed in order to meet necessary and appropriate requirements.

Questions and contact

If you have any questions about this declaration of principles or other human rights or environmental issues, please contact:

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The Management



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