



Principal declaration

**Regarding the respect and protection of
human rights and environmental standards**

**Section 6 (2) Supply Chains Act
(Lieferkettensorgfaltspflichtengesetz – LkSG)**

1 Commitment at the highest corporate level

The respect of human rights is a major concern of Hartmetall-Werkzeugfabrik Paul Horn GmbH. In this principal declaration, we present our corporate strategy regarding human rights and environmental standards. The principal declaration is issued by the management board in order to ensure that respect for human rights and the environment is implemented in every part of our company.

2 Based on international standards

Hartmetall-Werkzeugfabrik Paul Horn GmbH is committed to apply the applicable law, respect internationally recognised human rights and prevent any violations of human rights within the scope of our business operations.

We base our principal declaration regarding human rights on:

- *The German Supply Chains Act (Lieferkettensorgfaltspflichtengesetz)*
- *The International Covenant on Civil and Political Rights of the United Nations*
- *The International Covenant on Economic, Social and Cultural Rights of the United Nations*
- *The Declaration on Fundamental Principles and Rights at Work of the International Labour Organization*
- *The 10 principles of the UN Global Compact*
- *The Universal Declaration of Human Rights of the United Nations*
- *The conventions and recommendations of the International Labour Organization (ILO) on work and social standards*
- *The declaration of the International Labour Organization (ILO) on multinational enterprises and social policy*
- *The principles of the Organisation for Economic Co-operation and Development (OECD)*
- *The Guiding Principles on Business and Human Rights of the United Nations*
- *The European Convention for the Protection of Human Rights and Fundamental Freedoms*

Our strategy incorporates and goes beyond national legislation.

3 Process description

The human rights strategy of Hartmetall-Werkzeugfabrik Paul Horn GmbH aims to prevent or minimise risks to human rights and to avert, end or limit the degree of violations to human rights. To achieve this goal, we have implemented suitable measures in our own business operations and our procurement processes. The focus of each measure is on our own staff, as well as the staff of our suppliers.

It is a special concern of Hartmetall-Werkzeugfabrik Paul Horn GmbH to include and observe the interests of potentially affected persons in all areas. Our code of conduct for suppliers defines our expectations of them regarding the environment, social standards, compliance with the law and business ethics. The code of conduct for suppliers is the basis of co-operation with our suppliers, who in turn should apply equivalent standards in their supply relationships.

3.1 Risk management

Hartmetall-Werkzeugfabrik Paul Horn GmbH has established a comprehensive risk management system to protect human rights in its own business operations and the supply chain. Efficient risk management process structures ensure the success of our measures and their continued improvement. We regularly, and whenever required, check the effectiveness of all risk management measures and make adjustments where needed.

The management board and executive management are informed about the risk management activities at least once per year.

Risk management is divided into the sub-processes: risk analysis, preventive measures, complaint processing, remedial measures, effectiveness audit, documentation and reporting.

3.2 Responsibilities

Hartmetall-Werkzeugfabrik Paul Horn GmbH ensures compliance with the human rights strategy internally through clearly defined structures and responsibilities. The company management is responsible for compliance with the human rights strategy. A compliance officer supports and monitors all operational processes and measures.

3.3 Risk analysis

Hartmetall-Werkzeugfabrik Paul Horn GmbH considers diligence in the area of human rights to be an ongoing process in the light of constantly changing conditions. We carry out annual analyses for the identification of potential and actual negative impacts on human rights and the environment in our business operations and among our immediate suppliers.

We collaborate with *IntegrityNext* for a comprehensive and in-depth analysis. The platform allows a comprehensive evaluation of our own business operations and those of our immediate suppliers regarding Environmental, Social and Governance (ESG) issues on the basis of country and sector risks, critical news monitoring and an evaluation of the sustainability performance of our suppliers based on questionnaires. In addition, *IntegrityNext* supports us in identifying sector-specific risks related to human rights and the environment in our extended supply chain.

It is also a concern of Hartmetall-Werkzeugfabrik Paul Horn GmbH to incorporate the perspectives and interests of potentially affected persons into our analysis. In the event of changes or restructuring of our business operations, we carry out additional associated risk analyses.

In our risk analysis, we focus especially on the following groups of persons:

- *Employees in our own business operations*
- *Employees in external supply chains*
- *Members of local communities*

Within these groups of persons, we concentrate in particular on those who are especially vulnerable and subject to a higher risk of detriment in respect of human rights and environmental effects and whose rights are therefore at greater risk. These potentially vulnerable persons have a special status within our diligence processes. They include groups with special needs, who are socially ostracised or who find it difficult to publicly voice their concerns.

We particularly consider the following to be among vulnerable persons in the supply chain:

- *Women*
- *Young and elderly persons*
- *Persons with physical and/or mental disabilities*
- *Ethnic minorities*
- *Religious minorities*
- *Homosexual, bisexual, intersexual, transgender, queer and non-binary persons*
- *Persons with limited education or limited access to education*
- *Groups in poorly or non-regulated environments*

As a result of the risk analysis, we have identified and prioritised the following human rights and environmental risks in our own business operations:

- *Work conditions*
- *Discrimination*
- *Forced labour & abuse*
- *Child labour in the industry*
- *Occupational health and safety*
- *Right to free assembly*
- *Effects on local communities*
- *Environmental protection & health*
- *Water & soil*
- *Waste*
- *Greenhouse gas emissions*
- *Data protection*

As a result of the risk analysis, we have identified and prioritised the following human rights and environmental risks in the business operations of our immediate suppliers:

- *Environmental protection*
- *Harmful substances*
- *Greenhouse gas emissions*
- *Waste*

As an active participant in the metal processing sector, Hartmetall-Werkzeugfabrik Paul Horn faces the following human rights and environment-related risks:

- *We identified the following raw materials in particular as potentially risky:*
 - *Tungsten*
 - *Cobalt*
 - *Tantalum*

We carry out an assessment of suitability and appropriateness of their use, identify risks and increase our investigative efforts as required.

3.4 Preventive measures

If there is an actual risk that our business operations may cause or contribute to a negative impact on human rights, we have developed efficient processes to counter these risks. Suitable preventive measures are a basic component of these processes.

Hartmetall-Werkzeugfabrik Paul Horn GmbH has implemented guidelines to express our demand for the respect of human rights in our own business operations and among our business partners. The following guidelines are considered as binding in the daily work of our employees, suppliers and business partners.

- *The labour management compliance agreement and the code of conduct are the basis of our social, ethical and ecological moral concepts applied to ourselves and our business partners. They state our requirements and expectations in respect of the actions of our employees and suppliers based on the identified risks. We communicate them to internal and external stakeholders.*
- *Sustainability guidelines set specific standards for our purchase and procurement strategies.*

We ensure the implementation of the stated guidelines through the following preventive measures in our own business operations:

- *Regular training of employees in the different departments to ensure high quality when implementing our human rights strategy. Employees in the procurement department are additionally trained on our purchasing and procurement strategies regarding human rights and made aware of the relevance of the topics.*

We counter actual human rights or environmental risks that we detect at our immediate suppliers with suitable preventive measures within the scope of our risk management.

- *We apply strict criteria when selecting an immediate supplier, considering specific environmental and human rights risks. We ensure compliance with human rights and environmental standards for the duration of the business relationship.*
- *We oblige our immediate suppliers to comply with the human rights and environmental expectations that we have specified in the code of conduct for suppliers.*

If we have actual evidence that violations may be possible by one of our immediate suppliers, we immediately integrate the concerned supplier into our risk management and risk analysis and develop corresponding preventive and remedial measures.

3.5 Complaint process

Hartmetall-Werkzeugfabrik Paul Horn GmbH is aware that, despite all diligence measures, there may be violations in the area of human rights. We provide affected persons in our own business operations, among our suppliers and along our entire supply chain, as well as affected third parties, with confidential access to an appropriate [Complaint process](#) to report violations. We communicate our complaint process internally and publicly on our website and confidentially follow up on all reported issues.

3.6 Remedial measures

If the violation occurred in our own business operations, we ensure termination of the violation. If the violation occurred at one of our immediate suppliers or a member of our supply chain, we take steps for the appropriate rectification of the situation via the following measures:

- We expect and demand our suppliers to immediately terminate actual human rights violations. We develop a process for the termination of the violation based on specified deadlines and responsibilities together with the supplier concerned. If required, we support our business partners with the implementation of the required measures. We retain the right to pause or cancel the business relationship if the violation is not terminated.
- In sector initiatives, we co-operate with other companies to find efficient solution approaches that result in stopping the violation within our supply chain.

3.7 Effectiveness audit

Hartmetall-Werkzeugfabrik Paul Horn GmbH applies the described measures to ensure its diligence regarding human rights. However, global circumstances and our business environment is constantly changing. This is why we check the effectiveness of all applied measures related to specific events and carry out adjustments where needed. These include on-site visits, audits and quick checks and we work with indicators to measure our established methods. We see respecting human rights as an ongoing process that we constantly aim to improve.

3.8 Documentation & Reporting

Hartmetall-Werkzeugfabrik Paul Horn GmbH documents all activities related to diligence regarding human rights in its own business operations and the supply chain and will report from 2025 annually on the human rights diligence processes. The report is publicly available for all interested parties on our website. The complaint process and other documents regarding human rights diligence are also available on our website. This principal declaration is communicated internally and externally and is publicly accessible on our website: [horn-group.com](https://www.horn-group.com).



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