

# HORNBACH Values

**HORNBACH**   
Holding



## The HORNbach Values

HORNbach operates successfully in numerous countries across Europe. We are convinced that we can only maintain this success on a permanent basis if we sustainably convince our customers with our reliability, fairness, quality and our willingness to tread new paths. That is why HORNbach makes sustainable economic activity the basis for its business policies.

Companies generally break down sustainability into its “economic”, “social”, and “ecological” components. A further dimension has been added with “corporate governance”. In general, corporate governance is taken to mean “high-quality and responsible company management and supervision”. One core element of this involves correct conduct on the part of the company and its employees in their internal and external dealings (“compliance”). We believe that this way of profiling the company and setting it apart will become even more important in future. After all, it is not easy to sell your products if you do not have a good reputation. The price alone is not key in determining market success. You also have to have the right quality and reputation. Anyone not keeping a close eye on his image will see his business success rapidly decline. It takes years to build a good reputation, but this can then be ruined in a single day. One inappropriate action, thoughtless gesture, dishonest, rash comment and that reputation carefully fostered with customers is destroyed. It is no longer enough simply to “do business”. Today, companies have to show that their business activities conform to socially accepted values, and this will be even more the case in future. That is why HORNbach, as a publicly listed family company, makes every effort to show that the market and morality are not two diametrically opposed concepts, but rather that they interact to the benefit of all.

In 2004, we identified the “HORNbach Foundation” by reference to the clear and explicit system of values already exemplified by HORNbach for decades. In 2011, we then took these as a basis to develop our Management Guidelines. The key principles of this system of values are honesty, credibility, reliability,

clarity, and trust in people. This approach, characterized by the virtues of the “Honorable Businessman”, is the cornerstone of our corporate strategy, of the day-to-day behavior of all HORNbach employees on all levels and of the way in which show responsibility towards society. Firmly anchored within the system of values are the basic approach we adopt in our behavior towards customers, as well as in employees’ behavior towards each other. Moreover, the Foundation makes it clear to our shareholders, customers and the general public, as well as to our employees, what the basis is for our business success.

The principles laid down in the HORNbach Foundation are specified in greater detail in the HORNbach Values. Making these values part of our corporate culture will require daily efforts and a determination to actually live them. Members of the Board of Management and other management staff have to set a good example here. This way, the HORNbach Values can become guiding principles for all employees in their day-to-day work.

Pleased do all you can to inject life into the HORNbach Values!

  
Albrecht Hornbach

  
Karin Dohm



## State and society

### Meeting our responsibility to society

- HORNBAACH is aware of its responsibility towards society. Compliance with laws, legal requirements and internal regulations affecting our day-to-day work is assumed as a matter of course. This requires us to familiarize ourselves with the regulations applicable to our individual company department. We are aware of and meet our social responsibility towards individuals, society as a whole and the environment.
- For us, this means that
- We observe and comply with laws, legal requirements and internal regulations
- We oblige our suppliers to ensure that their production and deliveries comply with the minimum social and ecological standards we have established
- The products we sell conform to the relevant country-specific requirements and are of good quality.

## Managers and employees

### Mutual respect and cooperation

At HORNBAACH, we attach great value to ensuring that our employees enjoy equality of opportunity. We reject all kinds of discrimination. We ensure constructive collaboration on a basis of mutual respect both within the company and in our external dealings.

For us, this means that

- We respect the cultural diversity, dignity and private life of each individual
- No one is disadvantaged, harassed or favored on account of their gender, nationality, ethnic origin, skin color, religion or worldview, disability, age, or sexual orientation
- Our dealings with each other are characterized by respect, team spirit and cooperation – particularly in our behavior and actions towards our customers, colleagues and managers
- Management staff act as role models for cooperation based on mutual respect.

### Responsible handling of internal company information and company property

HORNBAACH is an innovative retail company. We protect our competitive edge by treating internal company information responsibly. The protection of company property (e.g. against loss, damage, theft, misuse and unauthorized use) is a matter of course for each and every HORNBAACH employee.

For us, this means that

- Confidentiality is maintained about confidential information
- Such information is protected against unauthorized access by third parties
- Company property is – as a matter of principle – only used for company purposes.



**Holzfenster Holz-Verbund-Fenster Kunstst**



## Customers, suppliers and competitors

### Heeding fair competition

HORNBACH's business policies are based on a commitment to fair competition and in particular to strict compliance with the requirements of cartel law. We rely here on performance, customer focus and quality. We also expect our competitors to heed these principles.

For us, this means that

- The requirements of competition law are observed and complied with; in particular, no anticompetitive agreements (such as for retail prices) are reached with competitors or suppliers
- Our employees immediately reject any anticompetitive conduct on the part of third parties (such as suppliers or competitors).

### Integrity of conduct

HORNBACH's business decisions are not influenced by private interests or personal advantage. We do not tolerate corruption. Furthermore, we expect conflicts of interest, even the mere impression of such, to be avoided. Conflicts of interest may already arise when business relationships are maintained with another company in which a financial interest is held or at which a relative or friend directly or indirectly holds a material interest.

For us, this means that

- Business relationships are initiated or maintained solely on the basis of objective criteria, such as "quality", "price" (costs), or "supply quality"
- Cash payments, material assets or benefits in kind are neither requested nor accepted and neither offered nor granted
- We demonstrate with our own conduct that we neither tolerate nor support corruption
- Private interests are strictly separated from HORNBACH's interests and even the mere impression of any mixing of private and HORNBACH interests is avoided.

### Protecting data entrusted to us

At HORNBACH, personal data from customers, employees, and business partners is collected, stored and used in accordance with the requirements of data protection law. To protect its customer data, HORNBACH has voluntarily imposed principles exceeding the requirements of data protection law.

For us, this means that

- The requirements of data protection law are complied with
- The principles underlying our customer data policy are observed and applied.



## Providers of equity/debt capital

### Transparent financial reporting and compliance with capital market regulations

HORNBACH enjoys a high degree of trust on the capital market. On the one hand, this is largely due to the company's correct and transparent financial reporting. We safeguard this by completely, correctly, truthfully and promptly recording and documenting all relevant business transactions. The basis for this is provided by a functional internal control system. On the other hand, compliance with capital market regulations is a matter of course for our company.

For us, this means that

- Our accounting is consistent with legal requirements
- We report within the respective deadlines and in accordance with the relevant requirements
- Information not publicly known that has the potential to significantly influence the market prices of HORNBACH's securities is announced in ad-hoc releases
- Insider information remains confined to that group of individuals required to have access to such information for operating reasons and who have been obliged to comply with the relevant legal requirements
- Members of the Board of Management and Supervisory Board and persons closely related to such notify the company of transactions involving HORNBACH's shares and financial instruments in accordance with legal requirements (so-called "Directors' Dealings").



## Validity and implementation

The regulations set out here are binding for all employees on all company levels. It is therefore not sufficient simply to take note of the HORNBACH Values. Employees are rather expected to take due account of these regulations in their day-to-day work. All managers have a special role to play in this respect. Given their function as role models, they bear particular responsibility for rooting the HORNBACH Values within the corporate culture. They are also required to ensure that their employees are familiar with, understand and actually apply the content and meaning of these values. Should there be any indications that these regulations are not complied with, then managers are obliged to follow up such cases and take further measures where necessary. Illegal conduct and breaches of the HORNBACH Values are not tolerated.

Any questions may be addressed either to your manager or to the relevant Compliance Officers at head office departments and in the regions. You can find your contact partner in the InfoNet. You can also receive answers to any questions you may have by calling +49 6348 60 1122 or sending a mail to [compliance@hornbach.com](mailto:compliance@hornbach.com).

The basic regulations set out in the HORNBACH Values may be set out in greater detail in special sets of guidelines.

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