

# **HORN**BACH

# **CSR GUIDELINES**

**WITH RESPECT FOR THE ENVIRONMENT AND SOCIETY, TO THE BENEFIT OF EMPLOYEES AND CUSTOMERS, FOR THE SUSTAINABLE DEVELOPMENT AND SUCCESS OF THE COMPANY.**

**HORNBACK.**  
Holding



**HORNBACK.**  
IMMOBILIEN AG

## THE COMPANY

*HORNBACK is an independent, family-run, publicly listed company. HORNBACK Holding AG & Co. KGaA is the parent company of the HORNBACK Group. It is not operationally active itself, but covers a number of important associated companies.*

*The largest subgroup is HORNBACK Baumarkt AG, which encompasses the European-wide do-it-yourself (DIY) retail business. The HORNBACK Group also includes the subgroups HORNBACK Baustoff Union GmbH (regional builders' merchant business) and HORNBACK Immobilien AG (property and location development).*

## CSR AT HORNBACK

Corporate Social Responsibility (CSR) is a fundamental question of principle for HORNBACK and thus forms part of our business strategy. It has a major influence on the way we manage our company. We aim to make decisions that account for all aspects of sustainability. In doing so, we are guided by the question of what is important for people and their future in harmony with sustainably oriented corporate development. The social component (e.g. education, development opportunities, fair working conditions with us and our partners, diversity) is therefore particularly important to us. If people understand interrelationships better, they can also make more sustainable decisions in terms of ecological and economic responsibility. Awareness-raising and development are therefore at the heart of our sustainability efforts – because only by developing personal awareness of sustainability aspects in everyday life can better decisions be made in terms of sustainability.

For HORNBACK, this means in terms of orientation: CSR concerns everyone, not just managers or dedicated staff departments. It is the attitude and initiative of each individual, the teams with specialist responsibility, and the managers that drive the sustainability issues that allow ideas to become actions and our efforts tangible and relevant for people.

We always want to be transparent about our sustainability issues and communicate them to employees, our customers, and other stakeholders appropriately and in a non-patronising way.

The communication should serve to enable our customers to make more sensible (purchasing) decisions.

Within our corporate organisation, we divide the sustainability topics into five fields of action:

- » Our product range is where we have the greatest leverage – origin, production, components of our products
- » Help and disposal – product range-related services
- » Content employees for satisfied customers
- » Conserving resources in our own business operations
- » Respect for society

Our CSR Guidelines summarise the overriding sustainability issues we work on with heart and soul. You can find more information here:





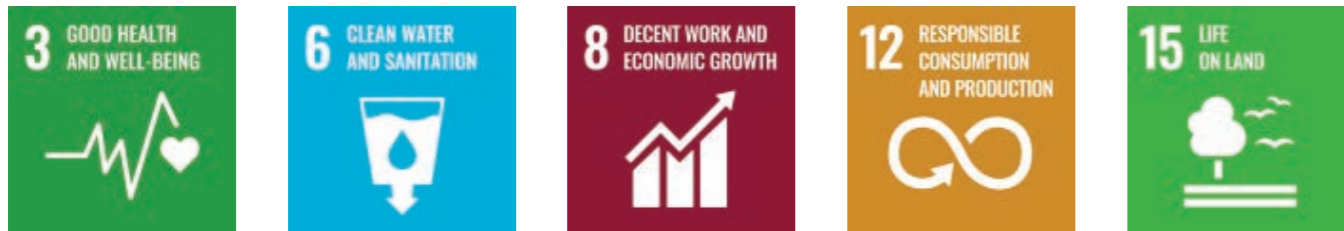
**IN BRIEF: THE UNITED NATIONS 17 GOALS FOR SUSTAINABLE DEVELOPMENT AT HORNBACH.**

For its 2030 Agenda, the United Nations has set 17 goals that aim to secure sustainable development on an economic, social, and ecological level worldwide. We at HORNBACH also want to contribute towards achieving these goals. With our CSR Guidelines and the fields of action, we are already supporting some of them today.



## FOR THE SUSTAINABLE DEVELOPMENT AND SUCCESS OF THE COMPANY.

*People buy from us because they want to make their own homes more beautiful, better, safer, and more resource-efficient. They either have the work done by professionals or tackle their projects on their own. We are passionate about DIY and gardening, and we support our customers as best we can with our expertise and experience. And with the right products and services. When selecting our range of products, we always take sustainability aspects into account.*



## 1. HUMAN RIGHTS ARE A FUNDAMENTAL PART OF OUR IDENTITY

The HORNBAACH Group is committed to respecting universal human rights and to complying with human rights due diligence obligations in its own business operations and in its supply chains. As an internationally operating retail company with more than 25,000 employees and global supply and value chains, we are aware of our responsibility towards people and the environment. The aspects of particular importance to HORNBAACH in this respect have been set out by the HORNBAACH Group in its publicly accessible CSR Guidelines since 2007.

Within all our business activities, we respect and protect human rights and take the utmost care neither to violate them nor to contribute to violations in any way. In addition, we endeavour at all times to prevent possible violations of human rights at an early stage or, if possible, to put an end to such violations or to minimise the extent of the violation. A responsibility to respect and protect human rights is therefore an integral part of everything our employees do.

We are committed to internationally valid standards and guidelines. In particular, HORNBAACH focuses on the following guidelines:

- » The UN Guiding Principles on Business and Human Rights of 2011
- » The United Nations Universal Declaration of Human Rights of 10 December 1948
- » The International Labour Organization (ILO) Conventions, Protocols, and Recommendations on labour and social standards

More detailed information can be found in the ‘Statement of Principles on Corporate Due Diligence in Supply Chains and on the Human Rights Strategy within the HORNBAACH Group’.



## 1.1 MINIMUM REQUIREMENTS FOR OUR SUPPLIERS' PRODUCTION SITES

As a company, long-term relationships based on trust with our business partners are important to us. We include in particular all those who supply HORNBACH with goods or provide services for us and on our behalf. Our business relationships of integrity are based on trust, respect, and a sense of responsibility. This is based on our business partners' respect for and compliance with the CSR standard of the HORNBACH Group, the universal human rights set out in the Universal Declaration of Human Rights, and the conventions of the International Labour Organization.

HORNBACH aims to ensure that all production facilities producing goods for HORNBACH provide safe workplaces for their employees. Particularly in the case of non-European partners, it has been shown that stable, long-term cooperation is the best way of influencing people's working conditions. We expect our direct business partners to pass on and ensure our requirements throughout the value chain and strive to make this the fundamental basis of our cooperation.

To underline our standards, we provide all our business partners with information on due diligence throughout supply chains. This is available, for example, at [www.hornbach-holding.com](http://www.hornbach-holding.com).



*WE ARE GUIDED BY THE VIRTUES OF THE HONOURABLE BUSINESSMAN:  
FAIRNESS, INTEGRITY, HONESTY AND RELIABILITY.  
THESE VIRTUES CREATE TRUST IN HORNBACH AND ENABLE US TO CREATE  
VALUE IN THE LONG TERM.  
THAT MAY SOUND A BIT OLD-FASHIONED, BUT IT STILL APPLIES TODAY.  
FOR US, THIS IS THE CORE OF SUSTAINABILITY.*

**ALBRECHT HORNBACH**

## 2. OUR PRODUCT RANGE IS OUR BIGGEST LEVER

The design of our product range is a top priority for us as a retail company: if the goods we offer are attractive to our customers, HORNBAACH can be economically successful and provide jobs and livelihoods for tens of thousands of people.

The product ranges HORNBAACH offers its customers to buy are becoming increasingly socially relevant. This is also due to the fact that aspects such as the origin of products, their components, and the production conditions under which articles are manufactured are becoming increasingly important for our customers.

We are therefore constantly evolving our product range with sustainability in mind. The product range offered by the HORNBAACH Group is intended to enable customers to take ecological, health-related, and social aspects into account when making their purchases. For HORNBAACH, these include, for example:

- » Offering low-emission products in order to minimise pollution in the living environment
- » Advice and information on the energy and water-saving functions of our products

- » Avoiding controversial or environmentally critical products such as herbicides containing glyphosate or plants that have been cultivated with neonicotinoids (bee protection)
- » Ensuring all items made from tropical woods are labelled with the Forest Stewardship Council® (FSC®) seal as proof of environmentally and socially responsible forestry
- » Ensuring that timber and wood products originating in the European Union come from sustainably and socially responsible managed forests
- » HORNBAACH prefers to purchase timber and timber products from the European Union which have valid FSC® certification. In the case of the Romania growing region, a valid FSC® seal is a prerequisite for purchasing
- » Ensuring that only natural stones from responsible sources are offered for sale

- » All direct import suppliers and their factory sites are audited at regular intervals with regard to environmental and social standards. Our suppliers' upstream suppliers are required by our suppliers to comply with the standards

### WHAT ARE AUDITS ACTUALLY?

Part of the work of our quality management and environment team involves commissioning what are known as manufacturer audits. These audits can be carried out as a preventative measure before a direct business relationship is established between the business partner and HORNBAACH.

Audits can also be carried out in the event of an indication of risk, for example within the framework of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz). These audits are performed by recognised and internationally active testing institutes, such as TÜV. Our audit scope includes environmental, quality, and social standards. It is based on the requirements of ISO 9001, ILO, ISO 14001, ISO 26001, and SA 8000 and was designed in accordance with our requirements. The following topics, for example, can be found therein:

- » No employment of people who have not yet attained the local legal minimum working age. Absolutely no employment of any people below the age of 15
- » Operators of production sites do not make use of forced or involuntary labour
- » Provided accommodation is located outside the production and material storage sites
- » Emergency exits and escape routes in the production sites and accommodation are freely accessible and always within easy reach of every worker
- » The applicable local environmental laws are complied with by the production sites
- » The management of the production sites constantly works on improvements to implement the internationally valid minimum standards and immediately rectifies any identified deficiencies
- » The management of the production site ensures that these standards are also upheld by upstream suppliers

## 2.1 WHAT HORNBAACH IS ALREADY DOING

### Consumer sensitivity to pollutants in the air and in products has increased sharply.

Do-it-yourselfers and builders are paying more attention to the composition of the materials used. Added to this is the growing importance of no longer viewing health merely as the opposite of illness: feeling good, relaxing, and a good indoor climate are now foregrounded. When it comes to the construction and renovation of residential buildings, energy efficiency has been a high priority since the Energy Saving Ordinance. The problem is that insulation and appropriately designed windows make the rooms almost airtight. This keeps the indoor climate constant, but there is barely any way for pollutants in the air to be removed.

The healthy living environment project aims to avoid pollutants in the construction and design of indoor spaces. These products can be recognised by test seals such as the 'Blue Angel' or the Eco-Institut seal.

### HORNBAACH is a competent partner and has the necessary product range to help customers implement their energy-saving projects.

New windows and doors, façade insulation, and roof and cellar ceiling insulation offer major savings opportunities. Our product range also includes a wide range of energy-saving products: from efficient lighting systems to standby killers, water-saving products, and full thermal insulation.

### HORNBAACH removed pesticides containing the active ingredient glyphosate from its product range in 2016.

Plant protection products containing insecticides classified as hazardous to bees (B1) or belonging to the neonicotinoid group were also delisted. With these steps, HORNBAACH is supporting its customers in their natural gardening and helping to reduce risks for people and the environment.

### Stones are often quarried under adverse conditions.

HORNBAACH Baumarkt AG set an example in 2013 by delisting hand-hewn goods. This ensures that only stones from responsible sources are offered for sale. All direct import suppliers and their factory sites are audited at regular intervals by recognised and internationally active testing institutes.

### We are committed to drawing customers' attention to timber bearing the Forest Stewardship Council® (FSC®) seal of approval.

As early as 1996, our company voluntarily made undertakings to the WWF and Greenpeace not to import any uncertified tropical timber. Moreover, HORNBAACH Baumarkt AG requires its suppliers to ensure that all processed timber products grown outside the European Union and Romania have valid FSC® certification. In this respect, HORNBAACH guarantees that all of the timber products involved come from certified stocks.

Many consumers see DIY stores as having a special obligation to offer timber products exclusively from responsible forestry. In order to do justice to customers' wishes and at the same time to our responsible self-image, HORNBAACH was the first international DIY chain to be awarded the FSC® chain of custody certificate GFA-COC-002007/FSC® C010062 in 2007. It guarantees a controlled supply chain from the place of origin of the wood to the end product.

Annual auditing by an independent testing institute ensures entitlement to bear the certificate. At all HORNBAACH DIY stores, craftsmen and do-it-yourselfers can now choose from a range of several thousand wood products bearing the FSC® trademark.



## 2.2 GUIDING PRINCIPLES OF MERCHANDISING

Aligned with our sustainable product strategy, merchandising at HORNBAACH has established additional guiding principles. These serve as a guidepost and set out our potential for development.

- » We hold ourselves accountable to international human rights, core labor standards, as well as national legislation and occupational safety standards. We also expect our business partners to adhere to these standards. The basis for this is our CSR standards
- » We develop attributes to classify our products under sustainability aspects. These attributes are constantly evolving
- » Our own brands are the focus of our product development under sustainability aspects
- » We use as much packaging material as necessary to transport our goods safely and undamaged to their destination
- » We evaluate the entire value chain of our products and weigh regional sourcing and global value creation

- » We replace controversial or environmentally hazardous substances with effective, ecological alternatives
- » We prepare information on our sustainable products and corresponding projects for both our colleagues' training materials and as building blocks for our customer communication

### We consistently implement strategic product range decisions:

- » All wood-based products are sourced sustainably; timber that was harvested outside the European Union or Romania must have a valid FSC® certificate
- » Natural stones are sourced from responsible, third-party audited sources
- » We refrain from using glyphosate and neonicotinoids in the cultivation of our plants
- » We do not sell plant protection products that contain glyphosate or neonicotinoids

### For our packaging, we follow these guidelines and use:

- » Recyclable materials: paper, plastics
- » Packaging made from a single material = no composite packaging
- » Recycled materials whenever possible and feasible
- » Reusable packaging where possible (including shopping bags and similar)

### We refrain from:

- » Multiple packaging (bags in boxes or similar)
- » Bio-plastics and coated paper = not recyclable
- » Aluminium and glass as packaging material

### We pay attention to the following aspects:

- » Design for recycling: we preferably use light/transparent plastics. This makes it easier to recycle them into recycled material
- » The lighter the packaging, the better





## WHAT IS A SUSTAINABLE PRODUCT?

In 2021, merchandising defined attributes for sustainable articles and further developed them in 2023. These descriptions are intended to help us classify sustainable articles. It is clear that with such a heterogeneous and extensive range of products, there cannot be a universally valid definition. This collection is not static, but changes and grows. Here are some examples:

### Type of production

- » No soil contamination
- » No excessive water consumption
- » No harmful noise emissions
- » High proportion of renewable energy

### Place of production

- » Regional
- » Emission reduction during transport and storage
- » Optimised storage

### Construction of the product

- » Durability/lifespan
- » Repairability
- » Product safety  
(compliance with all laws and EU standards)

### Material/raw material of the product

- » Recyclable material
- » Environmentally safe materials
- » Disposal of the product



## 2.3 IMPECCABLE QUALITY OF OUR PRODUCTS

HORNBACH aims to offer its customers only products of the best possible quality. To ensure the quality requirements, the following measures are taken within the HORNBACH group:

- » The purchasing organisations of the HORNBACH group set high requirements for reliability, product quality, and product safety when selecting suppliers and products
- » Products are randomly sampled and tested by external service providers, especially accredited and certified institutes, or the purchasing organisation itself
- » Quality management and quality control extend to the entire procurement and supply chain for imports and products sold under one of the HORNBACH Baumarkt AG's trademarks. These include in particular:
  - » Comprehensive specification of the products
  - » Random acceptance testing of the products produced in the manufacturing process

*IT IS OUR AMBITION AND GOAL TO ONLY SELL PRODUCTS WE BELIEVE IN.  
SAFETY, QUALITY, AND UTILITY ARE OUR TOP PRIORITIES.  
AND WE ALWAYS HAVE OUR CUSTOMERS' NEEDS IN MIND.  
GIVEN OUR BELIEFS, WHAT WE OFFER CUSTOMERS IS DRIVEN BY DEMAND.*

**SUSANNE JÄGER**



### 3. SERVICES RELATED TO OUR PRODUCT RANGE – HELP AND DISPOSAL

At HORNBACH, we aim to help our customers benefit from the products they buy from us for as long as possible. For example, by offering repairs or providing spare parts. We also provide them with the opportunity to dispose of the products properly, either at the disposal points in our stores or through services such as waste collection directly from the customer's construction site using a Big Bag.

Regarding our product range, our goal is to create new products from the collection of valuable materials and green waste within our own business operations. These could be products for sale or items we use ourselves.

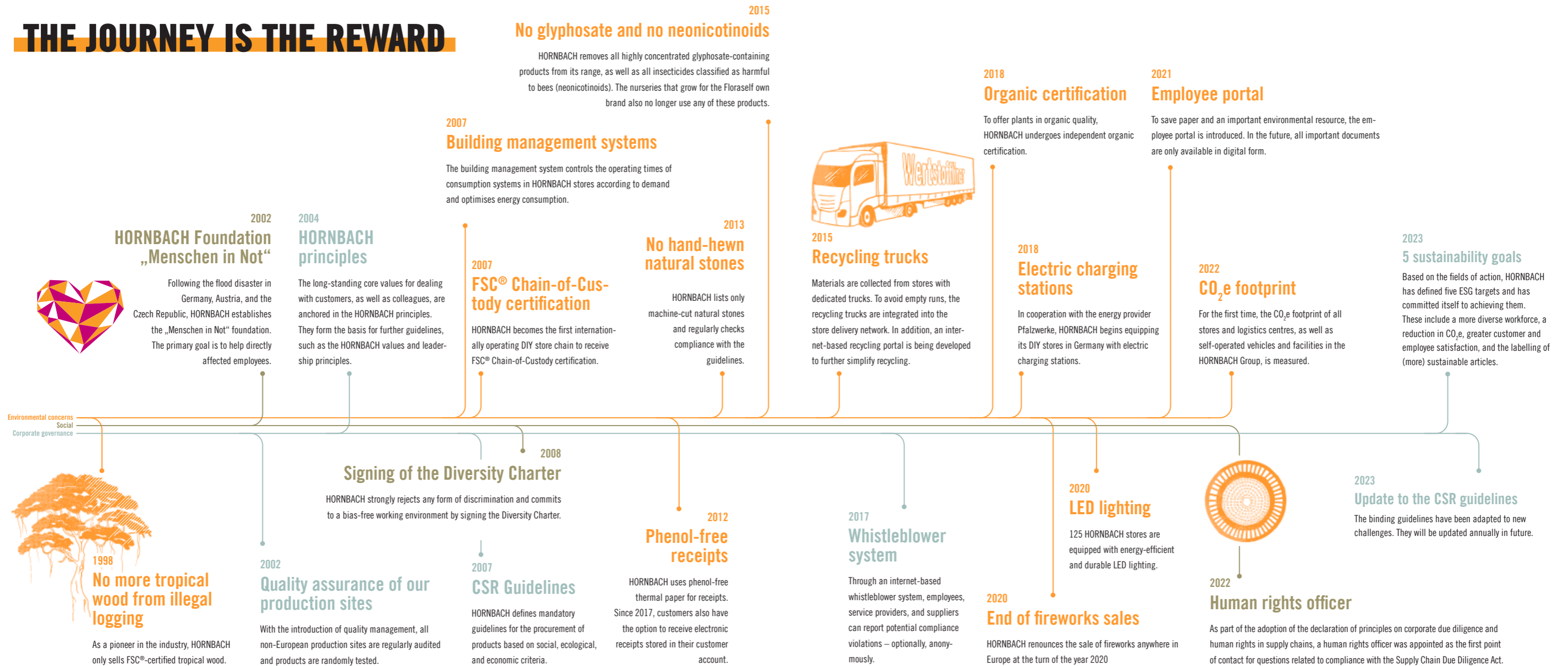
ation of DIY, Building, and Garden Supplies) and the 'Association of Municipal Enterprises' (VKU). Old or faulty electrical small appliances such as drills, jigsaws, cordless drills, plus non-DIY products such as shavers and toasters, are accepted in household quantities without the need for proof of purchase or similar. The collected electrical waste is picked up free of charge by municipal waste disposal companies. The aim is to make a contribution to environmental protection and to prevent such products from being illegally disposed of in household waste. We were well prepared for the mandatory take-back of electrical waste by the legislator due to the voluntary measures we had previously taken.

#### DISPOSAL OF ELECTRICAL WASTE

Our customers in Germany can dispose of broken energy-saving bulbs, LEDs, and fluorescent tubes in designated in-store collection boxes free of charge. With this service, which was introduced in November 2011 and was voluntary at the time, HORNBACH makes it easier for consumers to dispose of these items during the usual opening hours, which are much more generous than those of municipal collection points. Since 2013, HORNBACH has been leading the way in the negotiated framework conditions with the two associations BHB (Associ-



# THE JOURNEY IS THE REWARD



## FOR THE WELLBEING OF OUR EMPLOYEES AND CUSTOMERS.

*Putting people at the centre. Investing in relationships. Maintaining respectful relations with one another. These have always been part of the HORNBAACH principles and our DNA. Being open to each other, to issues and needs, and listening to one another is not always easy in the face of the many challenges of everyday work life. Nevertheless, it is now more important than ever to come together and strengthen community. Our goal is to create the conditions in which employees can realise their potential. We take care of each other – our customers, colleagues, and society equally. We want to be the most humane retailer.*



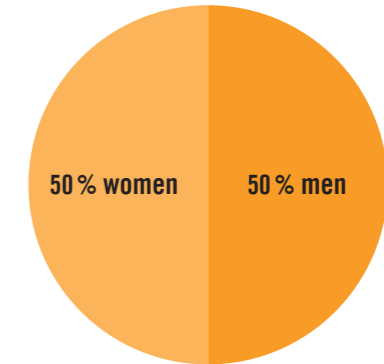
## 4. EQUAL OPPORTUNITIES AND DIVERSITY

HORNBAACH believes in the power of diversity. It is an important aspect for economic success. That's why we promote the social, ethnic, and cultural diversity of our employees and try to use it for the benefit of the company. At HORNBAACH, more than 25,000 people from over 100 countries work together. Employees of different backgrounds and experiences enrich our teams and our company. This creates more customer proximity, creativity, and innovation, thus making a valuable contribution to the future sustainability of our company.

The HORNBAACH Group sees it as its social responsibility to promote a liberal and open society both internally and externally. HORNBAACH is committed to creating a working environment free of prejudices. This includes, for example:

- » HORNBAACH gives people a chance for a job with development opportunities, both professionally and personally
- » HORNBAACH regularly trains a large number of young people
- » People with disabilities are welcome at HORNBAACH. Together with the employee, we decide on the best place to deploy them

Within the HORNBAACH Group, around 50% of employees are women and 50% are men.



To specifically strengthen women in leadership positions, the company has set a target of almost 29% female representation in the two management levels below the management board of HORNBAACH Baumarkt AG (by February 2027).

HORNBAACH Baumarkt AG has also signed the 'Diversity Charter'.



## 5. NO BUSINESS SUCCESS WITHOUT MOTIVATED EMPLOYEES

Motivated and loyal employees are, in our view, the basis for business success. In particular, the salespeople and consultants in our DIY stores, garden centres, and building material outlets have a significant influence on our customers' satisfaction. For HORNBACH, a corporate culture that is characterised by open communication, appreciation, and diversity is therefore the basic requirement for high employee engagement. The following measures are important to us for creating an attractive working environment:

- » HORNBACH believes that fair compensation is an essential component of a trusting employment relationship. The company therefore takes into account market-based salary levels in all regions. In the German, Austrian, Dutch, and Swedish HORNBACH stores, the company voluntarily and comprehensively adopts the respective retail collective agreements. The collective agreement for employees in the retail sector also applies to employees in the HORNBACH logistics division.
- » HORNBACH offers its employees (full-time and part-time) a range of additional benefits in all nine countries where it operates. These include profit-sharing in almost all regions, payment of leave and/or Christmas bonuses, and

the possibility of company-sponsored retirement benefits, which are also financially supported by the employer.

- » Part-time models are implemented throughout the group. All employees with working hour accounts can digitally record their working hours down to the minute, allowing for flexible accumulation and reduction of overtime.
- » The employees at HORNBACH Baumarkt AG and the branches of HORNBACH Baustoff Union GmbH work in a shift model, mostly in three shifts. Here too, within the organisational and legal framework, the company strives to provide flexible working time arrangements for its employees.
- » At the group's administrative sites, employees have flexible working hours. Flexitime is available at all sites, but in some cases core working hours must be covered in consultation with the line manager. HORNBACH continues to offer the option of mobile working wherever possible in order to meet the demand for flexible work organisation. The majority of administrative staff can take advantage of this opportunity.



## 6. THE HORNBACH OMBUDSPERSON

Even in a positive work environment, conflicts between employees or with managers cannot be avoided. In order to offer employees a neutral point of contact, HORNBACH has created the position of ombudsperson. Uwe Wagner currently holds this position.

He is a contact person for employees and can be approached initially without involving the other party to the conflict. If it

becomes clear in a first conversation that mediation between the two parties is necessary, the ombudsperson becomes active. Their task is then to listen to both sides, moderate, and ideally resolve the conflict. The employee should not be disadvantaged by the mediation. This neutral point of contact is used by employees throughout the company and enjoys a high level of acceptance.



## 7. OUR EMPLOYEES' HEALTH

Healthy and motivated employees are the foundation for the success of the company. It is therefore important for the company that the workforce adhere to safety measures, work proactively, and be aware of dangers. Wearing personal protective equipment is just as important as being mindful within our work environment.

Health protection is an established part of everyday company life, from the introduction of suitable prevention measures to the monitoring of their effectiveness, to identifying the causes of accidents. Volatile local and global events continue to pose a major challenge to all of us as employees. In addition to the physical health of our employees, HORNBACH also attaches great importance to their mental health and continues to focus on this. The company's goal is explicitly not only the physical integrity of the workforce, but also their mental wellbeing. To the extent it can as a company, HORNBACH is actively working towards this goal.

### 7.1 HORNBACH OCCUPATIONAL HEALTH AND SAFETY

The basics for safe conduct and work are summarised in the HORNBACH Safety Manual. The manual is used for annual training and is provided as a reference tool to all employees

in Germany. For other countries in the HORNBACH business area, it serves as a minimum standard and can be expanded to include country-specific aspects. This also applies if local legislation results in lower requirements.

Employees who are exposed to particular risks due to their activities receive job-related training on a regular basis. Additional training is provided in the event of accidents or other safety-related incidents.

More information on this topic can be found in our Non-Financial Corporate Statement:



## WITH RESPECT FOR THE ENVIRONMENT ...

*At HORNBAACH, environmental sustainability focuses on conserving resources.*

*To put it somewhat bluntly, the greenest energy is the energy we don't use. The best material is the one we don't use for construction and maintenance. The best delivery routes are the ones we can cancel or shorten. In addition, we aim to return the building materials, waste, and recyclables we use to the materials cycle.*



## 8. ON THE PATH TO CO<sub>2</sub>e REDUCTION

HORNBAACH contributes to the achievement of politically agreed climate targets and assumes responsibility for the emissions caused directly or indirectly by its business activities. The majority of the CO<sub>2</sub>e emissions that we can directly influence (see page 32) are related to the operation of our retail stores and logistics sites. A reduction in Scope 1 and 2 CO<sub>2</sub>e emissions at group level, in line with the 1.5-degree target of the Paris Climate Agreement, is planned for the financial year 2030/31.

CO<sub>2</sub>e emissions from the operation of our own DIY stores, garden centres, and logistics centres can be reduced primarily through lower energy consumption. In addition to the energy savings achieved in recent years by switching to LED lighting, intelligent lighting control, and building management systems, HORNBAACH significantly expanded its own electricity generation using photovoltaic systems in the past financial year. A total of 40 photovoltaic systems are currently in operation or under construction.

The new company car directive, which promotes the use of low-emission vehicles, came into force on 1 March 2024.

### HOW WE DO IT

**Avoid:** Where possible, we try to avoid any emissions from occurring at all, for example, by identifying unnecessary consumption points.

**Reduce:** Where possible, we reduce our energy demands. This is possible through technological innovations.

**Self-produce:** Where possible, we install facilities for producing electricity from renewable sources. This electricity could also be used for heat. This renewable energy makes us more independent and is climate-neutral.

**Compensate:** Where no other solution is feasible, we compensate for our Scope 1 and Scope 2 emissions with recognised climate projects. No greenwashing.

We are working on recording indirect CO<sub>2</sub>e emissions throughout the value chain (Scope 3). A full Scope 3 measurement is planned for the current financial year.



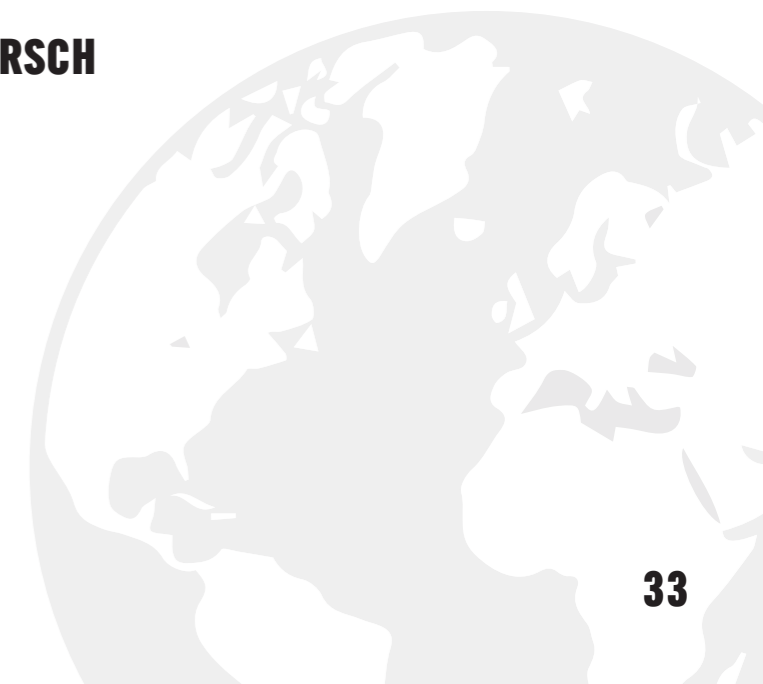
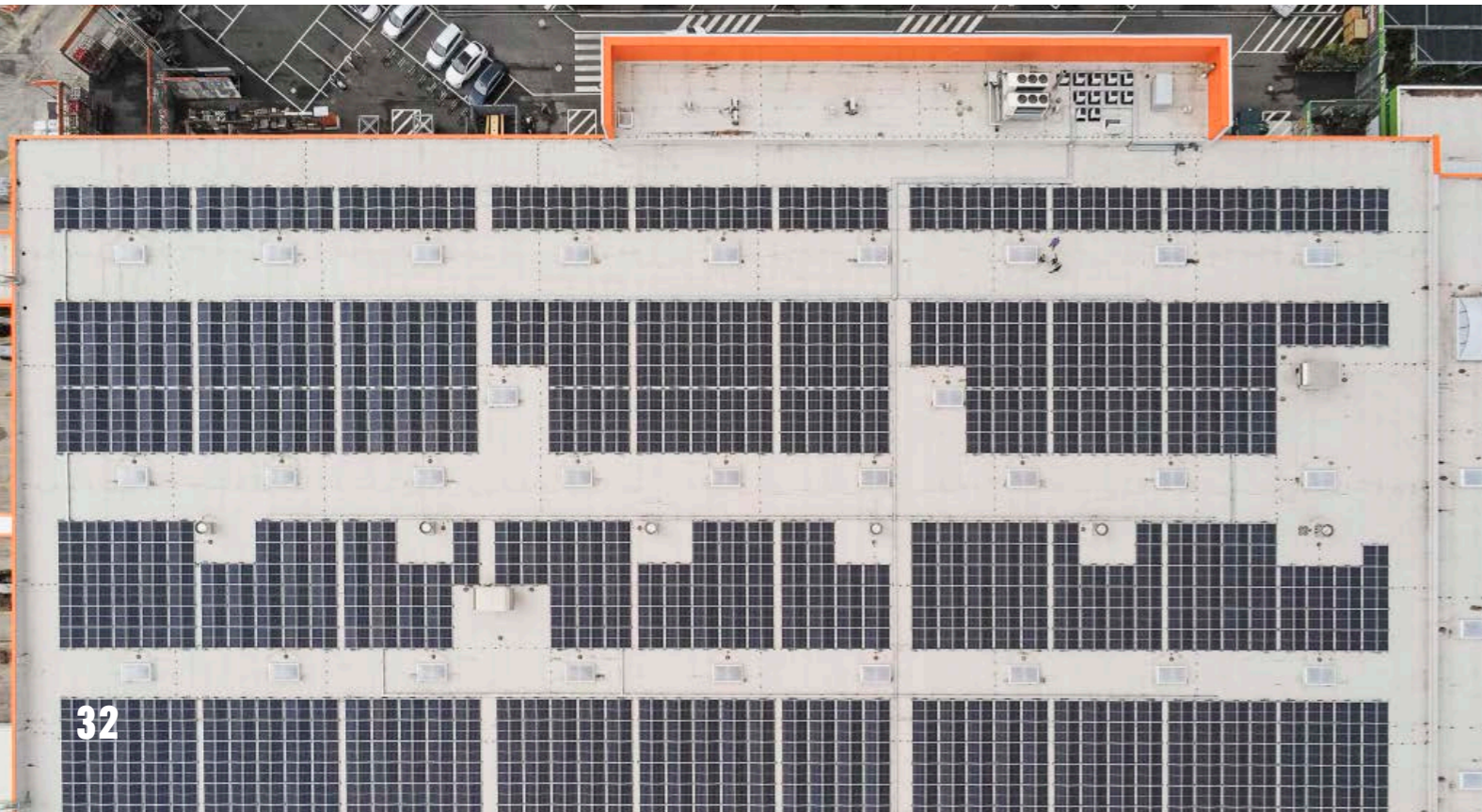
**WHAT IS CO<sub>2</sub>e (CO<sub>2</sub> EQUIVALENT)**

CO<sub>2</sub>e equivalents (CO<sub>2</sub>e) are a unit of measure used to standardise the climate impact of different greenhouse gases. In addition to the most important greenhouse gas caused by humans, carbon dioxide (CO<sub>2</sub>), there are other greenhouse gases such as methane or nitrous oxide. These different gases do not contribute equally to the greenhouse effect and remain in the atmosphere for different periods of time.

To make the effect of different greenhouse gases comparable, the United Nations expert panel has defined the 'Global Warming Potential' (GWP). This index expresses the warming effect of a certain amount of a greenhouse gas over a fixed period of time (usually 100 years) in comparison to that of CO<sub>2</sub>.

*AT HORNBACH, LONG-TERM THINKING ALWAYS TAKES PRECEDENCE OVER SHORT-TERM THINKING. IT'S A QUESTION OF ATTITUDE. THE COMPANY IS ALWAYS FOCUSSED ON ITS LONG-TERM DEVELOPMENT, A HIGHLY POSITIVE ATTITUDE. THAT'S EXACTLY WHAT SUSTAINABILITY IS: LONG-TERM VALUE.*

**ERICH HARSCH**



## 9. WASTE PREVENTION AND RECYCLING IN OUR BUSINESS OPERATIONS

The HORNBACH Group operates a comprehensive waste management concept. We promote the separation and recycling of valuable materials as secondary raw materials and, at the same time, reduce the amount of non-recyclable waste. The integrated waste management concept is based on the following precepts:

- » For the development of product packaging, particularly for our own brands, HORNBACH is working on optimal solutions, especially with regard to waste prevention
- » Within our business operations, HORNBACH ensures the separation of all generated waste and valuable materials
- » In our HORNBACH stores and logistics centers, balers are used for the high-volume categories of paper and plastic. The collected recyclable materials are picked up and directly transported to recycling centres using the HORNBACH recycling trucks.
- » In all our stores, HORNBACH Baumarkt AG provides recycling stations where consumers can easily return items such as electronic devices, light bulbs, foam cans, or batteries free of charge, even without purchasing new items at the same time

- » HORNBACH provides help and guidance for environmentally-friendly disposal of waste and valuable materials to consumers in our stores and online

### ONLINE RECYCLING PORTAL 2.0 FOR STORES, LOGISTICS, AND ADMINISTRATIVE UNITS

Our HORNBACH DIY stores and garden centres generate a variety of waste types. To simplify disposal, we have operated our own internet-based recycling portal since 2015. Initially introduced in the Netherlands, parts of Germany, and Austria, this type of ordering and collection of waste containers is now used by more than 300 collection points in six countries.

### EXPANSION OF OUR OWN RECYCLING COLLECTION

In the 2014/2015 fiscal year, we started collecting recyclable materials from our stores with our own HORNBACH recycling trucks. The HORNBACH recycling trucks operate in many parts of Germany, Austria, the Netherlands, Sweden, Luxembourg, and Switzerland. This allows us to collect large quantities of recyclable materials from our stores and deliver them directly to the desired recycling facilities, such as paper mills.

This ensures that further processing can take place directly and efficiently. Another advantage is that these trucks, if they are not carrying recyclable materials, can be integrated into the store supply network. This helps to avoid empty trips, and stores that are already on the disposal route of the truck can be supplied with necessary goods. This concept is constantly evolving.

## 10. ECONOMY MEETS ENVIRONMENTAL PROTECTION – OUR LOGISTICS

HORNBACH also contributes to environmental protection through the work of its logistics centres. HORNBACH logistics constantly works on reducing CO<sub>2</sub> emissions: by opening new logistics locations and additional delivery centres, software-controlled reduction of transport distances was achieved.

In addition to transport by trucks, alternative transport methods are also used. For example, for the transit of heavy goods such as tiles across the Alps, trains are used. Likewise, the container transport from the import ports of Rotterdam and Hamburg is not handled by trucks, but by inland waterway vessels and trains. Another lever for reducing CO<sub>2</sub> emissions is the smart control of goods deliveries to our stores. In cooperation with suppliers, optimal cargo space utilisation and efficient route planning are the focus. Integrated transport planning enables reliable schedules for hauliers and customers in the store. This leads to significantly shorter waiting times and resource-saving use of trucks. Moreover, it results in improved working conditions for drivers and employees.

By introducing extensive electronic data exchange between HORNBACH and its suppliers, greater transparency in the supply chain is created.

The simplified data availability eliminates the need for printing many pages of paper. HORNBACH actively promotes solutions for digitisation and standardisation as a member of the logistics working group at the BHB industry association. To save raw materials, the logistics department is particularly concerned with freeing goods from unnecessary packaging. This is largely possible through the use of reusable and durable transport containers. HORNBACH uses these containers in the logistics centre and store cycles.



## 11. CONSTRUCTION, OPERATION, AND MAINTENANCE OF OUR PROPERTIES

Whether HORNBACH is a tenant or owner of a property, how a property is built, operated with resource efficiency, and maintained is important to us.

In terms of sustainability, our real estate strategy includes the following points, which we review and implement wherever possible in our construction activities.

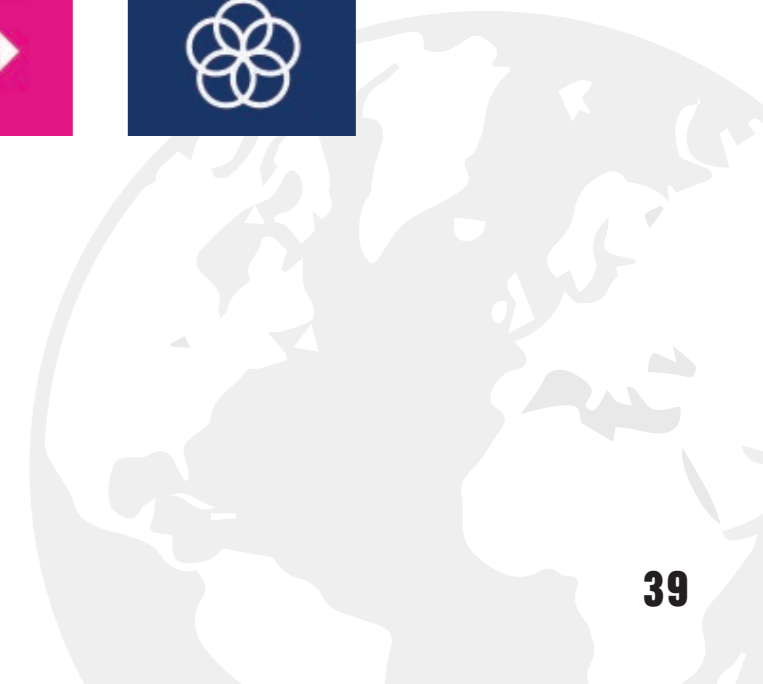
We aim to ...

- » avoid long supply chains and travel by using regional raw materials and local craftsmen/companies
- » improve the microclimate on site by avoiding full surface sealing of outdoor areas and combining green spaces to create larger habitats for insects
- » achieve the healthiest possible indoor climate through sustainable building materials and adapted building technology
- » maximise energy self-sufficiency at our sites and gradually phase out the use of fossil fuels
- » use natural building materials and raw materials with low CO<sub>2</sub>e emissions



## ... AND SOCIETY.

*As a company, we want to be an important part of society. We are particularly committed to the communities where we live and work, whether it is through support for clubs, kindergartens, or cooperation with municipalities.*





## 12. WE HELP WITH WHAT WE DO BEST

In kindergartens, schools, and many other charitable institutions, there is often a lack of funds to tackle building, renovation, and gardening projects. In many cases, there is also a lack of DIY knowledge. As operators of mostly large-format building and garden centres, as well as building material outlets our wide and deep range of products is what sets us apart. It provides everything needed to implement the aforementioned projects.

In addition, our colleagues offer a comprehensive pool of specialised and implementation knowledge. Together, these factors make us a valuable partner for social projects.

Specifically in the vicinity of our stores, with the support of numerous small projects, we become a valuable part of the local community.

### WHAT WE WANT

### WHAT WE DO NOT WANT

- Requests related to DIY projects
- To empower our counterparts: teaching hands-on skills/assistance for self-help
- To create lasting values
- Collaboration with local organisations
- Donations of materials instead of money
- To prioritise long-term projects over short-term/one-time events

- We don't want to be one of many financial supporters
- We don't support political parties or religious groups





## 13. HORNBACH FOUNDATION „MENSCHEN IN NOT“

In 2002, HORNBACH demonstrated its social responsibility by establishing the HORNBACH Foundation „Menschen in Not“ in response to the floods in Germany, Austria, and the Czech Republic, which also affected employees of the family-owned business. The foundation was established with the help of the Hornbach family, the HORNBACH Group, as well as donations from employees and business partners, and 1 million euros were deposited into the foundation fund.

The foundation helps people who have fallen into need, mostly through no fault of their own, both within and outside the company, in a very pragmatic and uncomplicated way. Thus we were able to quickly take action after the floods in 2021 in several federal states of Germany, Austria, and the Netherlands.

The board of our foundation consists of four members who work on a voluntary basis. The members of the board of trustees are part of the company, as are the administrative staff of our foundation. Donations to the foundation directly benefit people in need. The company matches the employee donations received each year.

### GUIDELINES FOR AID DISTRIBUTION

Any person who has fallen into a situation of distress can turn to the foundation. The board can be made aware of emergencies by members of the foundation and the board of trustees, as well as by third parties.

The HORNBACH Foundation helps in the following emergencies:

- » Deaths of employees or their closest family members (children living in the household)
- » Serious accidents
- » Disability and serious illness
- » Additional medication, aids, or therapies that are not covered by health insurance
- » Disasters such as fires or floods



**Helfen mit  
Herzblut**

HORNBACH Stiftung „Menschen in Not“



## 14. REMEMBERING – COMMEMORATING – LEARNING.

### MEMORIAL SITE FOR VICTIMS OF NATIONAL SOCIALISM IN NEUSTADT

A memorial site for victims of National Socialism was established in the former Turenne Barracks in Neustadt an der Weinstraße, with the aim of ‘remembering, commemorating, and learning’. The HORNBACH Group, which has owned this barracks complex – now the Quartier Hornbach – since 2001, was aware that these circumstances demanded a special approach.

In order to prevent this past from being forgotten, HORNBACH provided the former prison of the barracks to the sponsoring

association as a memorial site and financially supported its development. As the only preserved early concentration camp of its kind in Rhineland-Palatinate, this memorial site is a rarity and is worth a visit. HORNBACH supports the work of the memorial site both in terms of personnel – with a company representative on the board of the association and the board of trustees – and financially.

## 15. WE SUPPORT OUR HOME REGION –

### THE RHEIN-NECKAR METROPOLITAN REGION

As a member of the Association of the European Metropolitan Region of Rhein-Neckar (MRN), our group strengthens the region. The goal is to promote the attractiveness, innovation, and economic strength of the region and to promote it as a multiplier to the outside world. Albrecht Hornbach, Chairman of the Board of HORNBACH Management AG, has been active in the board of the Future Metropolitan Region of Rhein-Neckar Association since 2009.

From this commitment, we also support the MRN's voluntary day, known as ‘Wir Schaffen Das’, every two years. On the one hand, ongoing projects receive a HORNBACH voucher, and on the other hand, colleagues who live and work in the region regularly participate in activities on this day.

