

1 Foreword by the Management Board

As a family-owned business, the Hirschvogel Group (hereinafter referred to as Hirschvogel) stands for the responsible use of resources. We therefore pay particular attention to ensuring that our business partners, our direct suppliers, and all Hirschvogel companies observe ecological as well as social principles and anchor these in their corporate culture and operational processes. This Declaration of Principles sets out the associated expectations of the Hirschvogel Management Board with regard to the entire Hirschvogel Group and in particular to the Hirschvogel companies that are subject to the obligations of the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). These are Hirschvogel Holding GmbH and Hirschvogel Umformtechnik GmbH (status: 2024).

A Human Rights Officer has been appointed to monitor compliance with the LkSG-related obligations at Hirschvogel. This ensures that the fulfillment of due diligence obligations is a permanent focus in the business activities of the organization and its partners. Together with the Human Rights Officer, the Management Board will consistently follow up on all information and suspicions as well as complaints addressed to the company regarding possible violations and deviations from corporate and international standards.

2 Hirschvogel Commitment to Comply with International Standards

Hirschvogel is committed to complying with and monitoring all human rights and environmental due diligence obligations of the LkSG throughout the company. Hirschvogel is committed to respecting all relevant and internationally recognized human rights in connection with its own product development process and bases this Declaration of Principles, among other things, on the following international standards and guidelines.

- UN Universal Declaration of Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination against Women
- UN Guiding Principles on Business and Human Rights
- Core labor standards of the International Labor Organization (ILO)
- UN Global Compact Principles
- Sustainable Development Goals of the United Nations (SDG)
- United Nations Declaration on the Rights of Indigenous Peoples
- Paris Agreement on climate change

These international agreements not only serve as standards and guidelines for our own actions, but also form the basis for our business policy commitment and the way in which Hirschvogel wishes to conduct its operations. Respect for human rights is already standard practice at Hirschvogel and, at the same time, a continuous process which is constantly reviewed and further developed in the context of a constantly changing environment as well as with regard to our business activities. The above list is therefore intended as an example and is not exhaustive. Hirschvogel expects all those involved to ensure that child and forced labor is not tolerated at any point along the value chain, and that diversity and inclusion as well as equal rights for all employees and the associated protection against discrimination are practiced and structurally anchored in the Hirschvogel world.



The Management Board and other leaders at the company are committed to providing sufficient resources to plan and design safe and healthy workplaces. Hirschvogel is committed to protecting the environment in all processes and to ensuring the efficient use of resources.

3 Scope and Application of the Declaration of Principles

Hirschvogel is aware of its position in the supply chain and will do everything in its power to ensure that Hirschvogel leaders and employees as well as suppliers and customers act in accordance with the aforementioned obligations and align their own actions with the stated principles. The members of the Management Board and the leaders at the Hirschvogel locations are responsible for ensuring that this Declaration of Principles is implemented both universally and locally. In doing so, they are supported by the Human Rights Officer and experts from the corporate functions responsible for the LkSG.

This Declaration of Principles applies to all employees of the Hirschvogel Group and all subsidiaries with a shareholding of at least 51%. It applies to all contractual relationships between Hirschvogel and its business partners.

4 Risk Management

With its companies in Europe, America, and Asia, Hirschvogel is a global supplier to the automotive industry. Its core business is the forging and machining of components, which is why the majority of the procurement volume is for the materials steels and aluminum. The risk analysis process is fed by information from the complaints procedure and, additionally, by means of a risk management software solution. Equal consideration is given to complaints received, internal information, or reports from the risk management software. The web-based risk management software searches for possible violations or infringements in the organization's own business area as well as among direct suppliers. It also supports the process with an initial catalog of measures for remediation and prevention in the event of violations. The risk analysis is always carried out in the same way, regardless of the location or corporate function concerned. The Human Rights Officer is ultimately responsible for monitoring both risk management in the context of the LkSG as well as the risk analysis.

5 Risk Analysis

Identifying violations of environmental and/or human rights along the supply chain and taking remedial action is a process that can only be carried out to a limited extent in all relevant organizations at the same time. Instead, it is necessary to successively anchor measures in each organization's own business area as well as among its direct suppliers. This requires valid, reliable, and comprehensible prioritization. The risk assessment is divided into the three sections outlined below. The assessment described here is reviewed annually and, if necessary, also during the year.

Identification of countries relevant for analysis: As a first step, those countries are identified which play a significant role for Hirschvogel in the LkSG risk assessment. To do this, it is necessary to determine which direct suppliers are relevant for the given assessment and where these suppliers are based. This information is supplemented by the countries in which Hirschvogel operates its own companies. Germany can be identified as a focal point of the organizations requiring consideration.

Applying indices to the countries relevant for analysis: In order to bring all the previously identified countries and organizations into a processing sequence, indices must be applied to the countries relevant for analysis. For human rights-related aspects, the indices "Child Labor Index" (UNICEF) and "Fundamental Rights Index" (World Justice Project), among others, are used. For environmental aspects, the "Environmental Performance Index" (EPI; Yale University) is drawn upon. Hirschvogel is aware that not all legal positions can be fully mapped in this step. Therefore, these indices initially serve only to prioritize countries and organizations and not to define the content of specific measures.

Determining risk categories related to the environment and human rights: In order to formulate measures in a targeted way, risk categories were defined and compared with the countries previously identified as relevant for analysis. The risk categories were derived based on the CSR risk check from the German Federal Ministry of Labor and Social Affairs. On the basis of this comparison and taking into account the indices “Child Labor Index”, “Fundamental Rights Index”, and “Environmental Performance Index”, it is possible to gain a differentiated view of the supplier countries as well as a realistic classification of the risks along Hirschvogel value chains. When considering the analysis as a whole, it can be stated that the application of the aforementioned indices provides a differentiated picture of the suppliers.

6 Preventive and Remedial Measures

As a key component of risk management, Hirschvogel has implemented measures to sustainably minimize risks in the supply chain and in its own business area, thereby countering violations of legal positions in a preventive manner. It should be noted that this Declaration of Principles itself contributes to prevention by stipulating and communicating specific expectations regarding the actions of all internal and external stakeholders. Non-compliance with the contractually and legally agreed conditions as well as a lack of cooperation in preventing and eliminating violations can lead to sanctions, including a possible (temporary) termination of the business relationship.

To minimize risks internally and externally, Hirschvogel currently implements the following preventive measures:

- **Training all relevant employees and business partners to raise awareness** of the risks related to human rights and the environment in the context of the LkSG
- Appointment of a **Human Rights Officer** to ensure that the due diligence obligations remain a permanent focus in the business activities of the Hirschvogel Group and its partners – this person is based in the “Environmental Social Governance” department and can be contacted by email at HumanRights@hirschvogel.com or by telephone on +49 8243 291-4455.
- Implementation of a **complaints procedure** that, as a communication interface between whistleblowers and Hirschvogel, serves to provide information on risks and violations of duty
- Use of **risk management software** that supports the permanent monitoring of risks and violations
- Expansion of the **auditing** of business partners in order to identify human rights risks as defined by the LkSG
- **Adjustment** of the **procurement strategy** of the Hirschvogel Group

In order to remedy internal and external violations as defined by the LkSG, Hirschvogel currently provides for the following measures:

- Comprehensive **analysis** of the type, extent, and severity of the damage
- **Restoration** of the situation prior to the human rights violation or environmental damage, if possible.
- Proactive **collaboration** with affected parties, including all stakeholders, to prevent future violations
- Support for **local and independent organizations** that advocate for affected risk groups

Hirschvogel is determined to establish further preventive and remedial measures. With growing experience, these will be integrated into LkSG risk management and communicated in a Declaration of Principles. Once risks have been identified and appropriate measures considered, the risk management approach as a whole and the individual measures in particular are subject to an as-needed and annual **effectiveness review**. If measures prove ineffective, they are revised and other measures are drawn upon to mitigate the specific risk.

7 Complaints Procedure and Complaints Management

Hirschvogel is aware that a violation of the protected legal positions of the LkSG at any point in the supply chain cannot be ruled out at all times. You can find more details on the procedure at <https://www.hirschvogel.com/en/company/complaints-procedure/>. Information is processed within a fair and confidential mechanism. Discrimination, intimidation, or hostility towards a complainant in the context of the Hirschvogel complaints procedure will be investigated and penalized. The complaints procedure was improved and further expanded in the course of 2023.

8 Documentation and Reporting Requirement

Hirschvogel uses the aforementioned risk management software to monitor its own business area and the supply chains. This software can be used to identify all the types of outlined risks within the supply network. The continuous monitoring process is documented and supports annual reporting to the BAFA (Federal Office for Economic Affairs and Export Control).

9 Final Declaration

The Declaration of Principles was first created in December 2022 and came into force on January 1, 2023. It reflected the scope of due diligence obligations of the LkSG at Hirschvogel at that time as well as the progress made in implementing them. The Declaration of Principles was then adapted in the course of 2023 and 2024 to take into account the findings obtained and further developed from the regular effectiveness review of risk management, risk analysis, and the preventive and remedial measures devised.

Denklingen, October 2024



Matthias Kratzsch – Chief Executive Officer



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