



## **Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (Lieferkettensorgfaltspflichtengesetz “LKSG”)**

### **PREAMBLE**

As one of the leading upholstery and dining furniture manufacturers in Europe, KOINOR Polstermöbel GmbH & Co. KG sees itself as having a special responsibility to work towards improving the global human rights situation along its supply chains and to shape its business relationships in a socially and environmentally conscious manner.

The increasing integration of KOINOR Polstermöbel GmbH & Co. KG into global procurement and sales markets offers opportunities and challenges at the same time: new markets are being opened up and jobs and prosperity are being created or maintained. At the same time, however, risks also arise from a lack of transparency and the possibly inadequate enforcement of internationally recognized human rights and environmental standards in supply chains.

KOINOR Polstermöbel GmbH & Co. KG is committed to respecting, protecting and complying with the human rights of the individual and the generally accepted environmental standards. We stand by this responsibility as a company and want to ensure that our suppliers also observe human rights and environmental due diligence obligations to an appropriate extent.

### **PROCEDURE / RISK MANAGEMENT**

In order to fulfil its responsibility and due diligence obligations under the LKSG, KOINOR Polstermöbel GmbH & Co. KG has set up a risk management system based on the concept of the Association of the German Furniture Industry (VDM) and the German Furniture Quality Association (DGM) in order to be able to identify and assess risks with regard to applicable human rights and environmental standards in its own business area and in the area of its suppliers.

Based on the risk assessment, KOINOR Polstermöbel GmbH & Co. KG takes appropriate measures to prevent and minimise human rights or environmental risks in its own business area, at its direct suppliers and, in the case of substantiated knowledge, also at its indirect suppliers.

KOINOR Polstermöbel GmbH & Co. KG implements the following measures, among others:

- Appointment of a Human Rights Officer
- Training of the employees of the own company and the direct suppliers about the implementation of the above-mentioned core values in everyday business and the conscious awareness of violations of the values.
- Annual and event-related risk analysis of the company's own business units and direct suppliers with regard to the aforementioned legal interests
- Implementation of appropriate procurement strategies and purchasing practices to adequately consider the results of the risk analysis, e.g. by providing written assurances to direct suppliers that human and environmental expectations will be met and further addressed and may also be reviewed if necessary. Furthermore, there is a consistent selection of companies that have only a low risk.



- Definition of processes and structures in our own business area in order to implement the human rights strategy, e.g. through detailed supplier evaluation before initial procurement
- Existence of a complaint's procedure with a defined procedure upon receipt of a report (e.g. KOINOR Polstermöbel GmbH & Co. KG has set up a complaints office at DGM)
- Annual and event-related checks of the effectiveness of risk management measures, e.g. annual meeting of an internal cross-departmental control loop, participation in the industry committee / working group "LKSG" of VDM / DGM, examination and attestation of the proper application of the industry concept for the "LKSG" by DIM / DGM

If violations of basic human rights or environmental values are identified in the course of risk management, KOINOR Polstermöbel GmbH & Co. KG 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 or occasion-related supplier also with the indirect supplier.

#### PRIORITY HUMAN RIGHTS AND ENVIRONMENTAL RISKS

KOINOR Polstermöbel GmbH & Co. KG represents a wide range of human rights-related and environmental expectations, which should be fulfilled both by itself and by its direct suppliers.

##### These include, in particular:

- Paying wages that are appropriate and in accordance with local legal requirements
- the existence of working conditions that comply with local legal provisions on occupational health and safety and working hours
- preventing all forms of exploitation, forced labour, slave labour, child labour, human trafficking, torture, unlawful deprivation of land
- acting in accordance with the principles of equality, regardless of Gender, national and ethnic origin, language, homeland and origin, religion, political affiliation or disability
- Respect for freedom of association
- Preventing unlawful evictions or other unlawful deprivation of land, forest or water
- preventing the use of security forces if they are not controlled or trained in such a way as to respect human rights
- Protection of the environment from harmful soil, water and air pollution, harmful noise emissions and excessive water consumption, e.g. through waste management in accordance with local regulations and efficient use of energy and other resources
- compliance with the ban on the production of mercury-added products, the ban on the use of mercury in the production and the prohibition on the treatment of mercury waste
- compliance with the prohibition of the production and use of chemicals under Article 3(1)(a) and Appendix A of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (POPs) and the un environmentally sound disposal of such wastes
- Compliance with the ban on the export and import of hazardous waste and all other aspects that jeopardize the sustainable, social and environmentally conscious development of society.



## DEFINITION OF HUMAN RIGHTS AND ENVIRONMENTAL EXPECTATIONS OF EMPLOYEES

All employees are required to comply with and implement the due diligence obligations to which KOINOR Polstermöbel GmbH & Co. KG is committed.

## SETTING HUMAN RIGHTS AND ENVIRONMENTAL EXPECTATIONS FOR SUPPLIERS

We expect our business partners to also commit to respect human rights, to commit to establishing appropriate due diligence processes that lead to the minimization of human rights and environmental risks, as well as to prevent, end or minimize violations of human rights or environmental obligations, and to pass these expectations on to their own suppliers.

## STATEMENT FROM THE MANAGEMENT

This Declaration of Principles is regularly adapted to the necessary and appropriate requirements on a case-by-case basis.

## QUESTIONS AND CONTACT

If you have any questions about this Policy Statement or any other human rights or environmental rights-related issues, please contact:

Marcel Pavel  
QM

Carolin Backert  
Purchasing Management

[info@koinor.de](mailto:info@koinor.de)

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Stefan Schulz  
Management