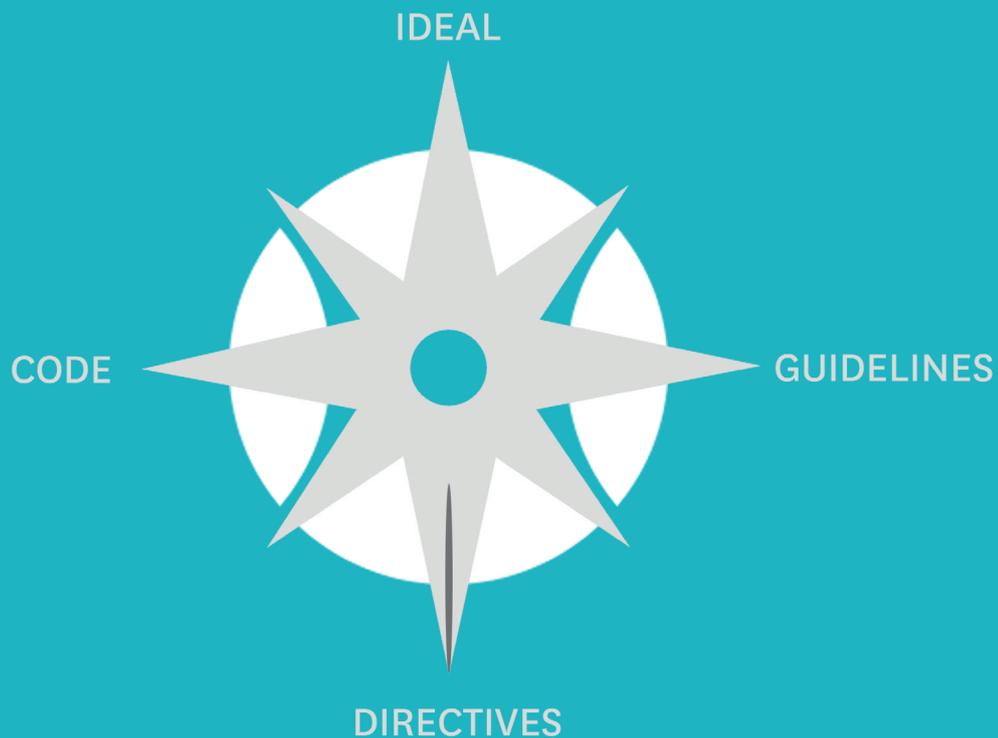


/ DOCUMENTS

HUMAN RIGHTS DIRECTIVE

/ VERSION 1.0 DATED AUGUST 1ST, 2017



HAKRO 
HÄLT. SEIT 1969

/ THIS DIRECTIVE IS AN AMENDMENT TO THE EXISTING GUIDELINES FOR THE STAFF OF HAKRO GMBH

DECLARATION OF PRINCIPLES.

HAKRO acknowledges its responsibility and its obligations to due diligence in upholding internationally accepted human rights – be it in respect of its own employees, the persons working in our delivery chain or the beneficiaries of our voluntary charitable activities.

These human rights are set out in the following documents:

- Universal Declaration of Human Rights (UN)
- International Covenant on Civil and Political Rights (UN)
- International Covenant on Economic, Social and Cultural Rights (UN)
- ILO Declaration on Fundamental Principles and Rights at Work (ILO)
- Convention for the Protection of Human Rights and Fundamental Freedoms (Council of Europe)
- European Social Charter (Council of Europe)

Since 2009 HAKRO has been a participant in the *United Nations Global Compact* (UNGC) and recognises as a reference document the „UN Guiding Principles on Business and Human Rights (2011)“ formulated by the United Nations Human Rights Council.

Our commitment to human rights is also demonstrated through our participation in the *Business Social Compliance Initiative* (since 2012), the *Partnership for Sustainable Textiles and the Bangladesh Accord* (both since 2015). Furthermore, we signed the „Cotton Pledge“ of the *Responsible Sourcing Networks* in 2015.

Through these human rights guidelines/policies, we, as a medium-sized enterprise, make a voluntary contribution towards the realisation of the „National Action Plan – Economics and Human Rights“ (2016) of the German Federal Government.

STRATEGY.

OUR UNCHANGING OBJECTIVE IS TO PROTECT HUMAN RIGHTS IN OUR SPHERE OF INFLUENCE AND TO CONTINUOUSLY SEEK TO IMPROVE THE SITUATION IN THIS REGARD: IF INFRINGEMENTS OCCUR; WE REMEDY THEM PROMPTLY OR BRING OUR INFLUENCE TO BEAR TO THIS END, AS APPROPRIATE.

We are a medium-sized enterprise with a small pool of very carefully selected production partners overseas. We are conscious of the fact that our production partners are based in countries at risk in terms of human rights (Bangladesh, China, Laos, Turkey). Nevertheless, it cannot be our objective to simply withdraw production from such countries; on the contrary, we regard it as an ongoing element of responsible entrepreneurship to use our influence and to contribute to improving the working conditions and human rights situation in these countries.

Helpful to this end is our basic principle of keeping the number of our production partners very much at a manageable level and to nurture long-term, trust-based business relationships with them. In addition, it is one of our ground rules that our partners may not engage subcontractors, which facilitates our monitoring.

All production partners must, at the very least, conform with the basic principles and values defined in the most recent version of the Code of Conduct of the *Business Social Compliance Initiative* (BSCI); our partners are required to demonstrate this by way of a valid certification at the beginning of the partnership or through an audit during the first year of our cooperation.

The BSCI Code of Conduct takes up the core labour standards of the *International Labour Organisation* (ILO), forbids, amongst other things, child-labour and forced labour and sets minimum standards for occupational safety. In the sense of cascade effects, our partners confirm to us that the requirements deriving from the Code of Conduct are imposed by them on their suppliers as well. Independent auditors regularly verify compliance by our partners with the BSCI Code of Conduct.

Through our solidarity fund HAKRO FriendsShare, we support voluntarily measures to improve further the working and living conditions of the staff of our production partners in Bangladesh.

We seek to increase continuously in the coming years the proportion of natural fibres produced in accordance with recognised sustainability standards (e.g. *GOTS - Global Organic Textile Standard*, *CmiA - Cotton made in Africa*, *Fairtrade Cotton*); these standards also contain requirements in respect of the observance of human rights. Our production partner in Bangladesh is already certified according to GOTS.

ANALYSIS AND MONITORING.

WE MAKE USE OF SELF-ASSESSMENT INSTRUMENTS PROVIDED BY NON-GOVERNMENTAL ORGANISATIONS FOR OUR (ONGOING) HUMAN RIGHTS AND RISK ANALYSES:

- „Human Rights Capacity Diagnostic“ (TwentyFifty, DGCN)
- „OCAI – Organisational Capacity Assessment Instrument“ (TwentyFifty, DGCN)
- „CSR Risk Check“ (MVO Nederland)

IN ADDITION TO THOSE, WE MAKE USE OF THE FOLLOWING:

- Evaluation of media and reporting from Non-governmental organisations;
- Suggestions and comments from our internal and external stakeholders;
- Results of our regular site visits at the premises of our production partners;
- Results of third-party audits (e.g. BSCI, GOTS, SGS);
- Progress reporting and „Corrective Action Plans“ (CAP) from the secretariat of the *Bangladesh Accords*;
- Results of the auditing process (review) by an independent third party within the framework of the *Partnership for Sustainable Textiles*.

THE RESULTS OF THESE SELF-ASSESSMENTS AND ANALYSES OF THEM ARE INCORPORATED INTO OUR ANNUAL ACTION PLAN (SUSTAINABILITY PROGRAMME) WHICH IS PUBLISHED IN OUR SUSTAINABILITY REPORT.

CONSULTATIONS AND COMPLAINTS.

In the case of possible indications of human rights violations:

- our staff should approach their supervisor or the Personnel department,
- the staff of our production partners should approach the complaints authority designated in accordance with the BSCI Code of Conduct,
- external stakeholders should approach our Quality, Values and Sustainability team.

All notifications received will be pursued forthwith and remedial measures initiated where the complaints are confirmed.

RESPONSIBILITIES.

The subject of human rights is part of our risk management, which is the responsibility of Management, assisted technically by the Personnel department as well as our Quality, Values and Sustainability team.

TRAINING.

Our staff are informed about this Human Rights Guideline. We inform and sensitise on this subject, in particular all staff involved in procurement processes as well as all employees participating in on-site visits to partners.

REPORTING.

We inform our stakeholders and the wider public on the measures taken in respect of human rights in our annual sustainability report.

NETWORKS.

We nurture the exchange of technical information and experience with other enterprises, whereby of particular relevance for us in the context of human rights is our participation in the *Partnership for Sustainable Textiles*.

PUBLICATION.

This human rights policy is published along with other fundamental company documents on our website.

HAKRO 
HÄLT. SEIT 1969

OBERSTETTENER STR. 41 , 74575 SCHROZBERG

WWW.HAKRO.COM