



**KRONE**

**Human Rights**

**Policy Statement**

**Section 6 para. 2 Lieferkettensorgfaltspflichtengesetz (LKSG) [German Supply Chain Act]**



## Respect for human rights

Bernard Krone Holding SE & Co KG, together with its associated companies, is a global leader in the construction and distribution of commercial vehicles and agricultural machinery.

The recognition of and respect for human rights have always been a primary concern of the family-owned enterprise.

This Policy Statement on Human Rights supplements the Code of Conduct of KRONE Group introduced in 2019, which is the foundation and guideline for all regulations and directives ensuring that the corporation acts in a responsible and ethical manner. It is valid for all companies of the KRONE Group, i.e. all affiliates of KRONE Holding SE & Co KG.

We expect our business partners to likewise commit to respecting human rights, to establish appropriate due diligence processes, and to pass this expectation on to their own suppliers.

## Standards and guidelines

We implement valid law, respect the internationally acknowledged human rights and ensure the prevention of any violation of human rights in the frame of our business activities. Our Human Rights Policy Statement is based on

- the Supply Chain Act
- the principles of the UN Global Compact
- the Universal Declaration of Human Rights
- the conventions and recommendations of the International Labor Organization (ILO) on labour and social standards
- the UN Guiding Principles for Economy and Human Rights
- the United Nations Sustainable Development Goals
- the OECD Guidelines for Multinational Enterprises
- the European Convention for the Protection of Human Rights and Fundamental Freedoms



The standards and values laid down in the above-named framework documents are also reflected in our own corporate guidelines. They give our employees, customers, suppliers, investors and the social environment in which we are active a clear idea of the ethical and social values represented by us. They are the basis of our daily activities. Our major guidelines in this area include:

- Our Code of Conduct; it offers all employees of the KRONE Group and all our business partners and customers orientation for how to act responsibly.
- Our expectations in our suppliers in the field of procurement are specified in the Code of Conduct for Suppliers.
- Our standard purchasing procedures specify internal criteria for the procurement of goods and services.

We encourage and support our employees as well as our business partners and suppliers to fulfil their duties of care and to avoid negative effects. We call upon our suppliers to pass on our human rights requirements to their sub-suppliers.

### **Risk analysis and implementation**

To assess the effects of our actions in terms of human rights, we conducted a human rights risk analysis in 2022. It was intended to identify any risks in respect of human rights and to prioritise these aspects accordingly. On this basis, we want to define measures for preventing potential risks, align our management processes accordingly, and raise awareness for these topics in our employees, business partners and suppliers.

To do this, we established a process based on internal analyses in combination with the use of an external platform to establish appropriate due diligence processes for human rights risks.

In our human rights due diligence processes, the focus is primarily on the following human rights aspects that our risk analysis identified as significant for our company. In these aspects, we see the greatest risk of negative effects on people who are directly or indirectly connected to our business activities at our sites and in our delivery chains:

- Child labour
- Forced labour
- Discrimination (mainly gender, age, origin, nationality, religion)
- Restriction of the freedom of assembly and association
- Precarious employment and working conditions
- Working time
- Salary
- Occupational safety



- Privacy

For these topics, we define measures that are intended to improve the status quo while preventively avoiding situations of human rights concern. Depending on the topic, measures can be defined at Group level, in a network of several Group companies, or at individual Group company level.

We see the following groups of people along our supply chain as potentially at particular risk:

- women, the elderly
- the sick and the disabled
- groups in poorly/non-regulated environments
- ethnic/religious minorities
- informally employed workers
- people with little education or limited access to education
- our own employees at certain international locations, including apprentices, temporary workers, interns
- workers in contracts to produce a work acc. to Section 631 Civil Code

In order to live up to our responsibility to respect human rights, we regularly exchange views on this with other companies through our VDA and VDMA associations.

In the future, we will review at least once a year and on a case-by-case basis the effectivity of the measures to prevent human rights violations. To do this, we conduct surveys within our company and in coordination with our work contract partners in our plants. In the supplier chain, the reviews are carried out on the external platform we are using for this purpose; if required, we will do supplier audits in addition.

We will offer regular training courses to raise our employees' awareness for human rights and in particular for the above-named risks.

### **Whistleblower system and complaints procedure**

The KRONE Group provides various channels for reporting complaints and information on the violation of human rights. These channels are open for everybody, whether they are in a contractual or business relation with the KRONE Group or not. Reports can be made at any time to the Compliance Officer of the KRONE Group [compliance@krone.de](mailto:compliance@krone.de) or to the external Ombudsmann of the KRONE Group: Dr. Carsten Thiel von Herff [ombudsmann@thielvonherff.de](mailto:ombudsmann@thielvonherff.de). As a lawyer,



Dr. Carsten Thiel von Herff is bound to professional discretion and is not allowed to disclose any information to third parties without consent.

The Compliance department will handle all reports confidentially and with the appropriate care.

### **Structure and responsibilities**

The Board of KRONE Holding SE & Co KG is responsible for compliance with and implementation of our duty of care in respect of human rights. The Compliance and Central Purchasing departments controlled the execution of the first human rights risks analysis.

### **Reporting and further development**

We consider addressing the issue of human rights and conducting a corresponding risk analysis as a continuous process that must be adapted and further developed at all times. We will keep you posted on our progress in the implementation and further development.

Bernard Krone Holding SE & Co KG

A blue ink signature of Dr. David Frink.

Dr. David Frink

Chairman of the Board of Directors

A blue ink signature of Dr. Stefan Binnewies.

Dr. Stefan Binnewies

Member of the Board of Directors

A blue ink signature of Ole Klose.

Ole Klose

Member of the board of Directors