



**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 KRUNE 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 KRUNE Group, i.e. all affiliates of Bernard KRUNE 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



Activities in our own business area and in our supply chain are always associated with impacts on the environment which may result directly and indirectly in human rights risks and adverse impacts on human rights. We are therefore committed to the following environmental standards in the supply chain:

- Minamata Convention of 1 October 2013 on Mercury (Minamata Convention)
- Stockholm Convention of 23 May 2021 on Persistent Organic Pollutants (POP Convention)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

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 to which we are committed. They are the basis of our daily activities. Our major guidelines in this area include:

- The Code of Conduct provides all employees of the KRONE Group, as well as all business partners and customers, with guidance on how to act responsibly.
- Our expectations of our suppliers in the field of procurement are specified in the Code of Conduct for Suppliers.
- Our purchasing guidelines specify internal criteria for the procurement of goods and services.

We encourage and support our employees as well as our business partners and suppliers in fulfilling their due diligence obligations and avoiding negative impacts. We ask our suppliers to pass on our human rights requirements to subcontractors.

### **Risk analysis and implementation**

We accept our responsibility. This policy statement relates to our own business area and supply chain. To review the impact of our actions on human rights, we conduct an annual risk analysis for our own business areas and for our suppliers. The aim of the risk analysis is to identify possible human rights and environmental risk issues and to prioritise them accordingly. On this basis, we want to derive measures to avert potential risks, align our management processes accordingly and raise awareness of these issues among employees, business partners and suppliers.



The process we have established for this is based on an interplay of internal analyses and the use of an external platform to establish an appropriate due diligence process for human rights and environmental risks.

We focus our human rights due diligence processes and our efforts to combat negative impacts from environmental damage in particular on the following topics which we have identified as material for our company through our risk analysis. This is where we see the greatest risks for negative impacts on people and the environment which are directly or indirectly related to our business activities at our sites and in our supply 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
- Environmental contaminants

For these thematic areas, we derive measures which, on the one hand, improve the status quo and, on the other hand, are intended to avoid situations which are questionable in terms of human rights. 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 and interns
- Employees under a contract for work and labour in accordance with § 631 BGB



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 an ad hoc basis how effective the measures to prevent human rights violations and environmental violations are. 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.

### **Prevention and remedial measures**

In order to fulfil our responsibility to respect human and environmental rights, we rely on the interplay of various appropriate preventive and remedial measures. In doing so, our aim is to protect those (potentially) affected and to identify, prevent or at least minimise adverse human and environmental impacts on them.

Our prevention measures in our own business area are:

- Announcement and implementation of this Policy Statement on the Intranet
- Appointment of a Human Rights officer to monitor risk management
- Compliance with our principles of conduct (Code of Conduct and guidelines)
- Training our employees
- Implementation of risk-based control measures

In addition, we implement appropriate preventive measures at our direct suppliers in the form of:

- Consideration of human rights and environmental requirements in the selection of new suppliers in accordance with the new purchasing guideline
- Our Code of Conduct for Suppliers becomes part of the contract; it regulates our human rights and environmental requirements for our suppliers
- Supplier training courses
- Risk-based control measures

Based on the measures outlined, we will review at least annually, as well as on an ad hoc basis, how effective our measures are to prevent and minimise adverse impacts from risks posed by the LKSG (German Supply Chain Act).



## **Whistleblower system and complaints procedure**

The KRUNE Group provides various reporting channels for complaints and tips on violations of human rights and the environment. We believe that adequate and effective grievance mechanisms are an important part of our due diligence processes to effectively prevent and remedy potential adverse human rights and environmental impacts in our own business area and in our supply chain. These channels are open to everyone, regardless of the existence or nature of the contractual or business relationship with the KRUNE Group. A report can be made at any time to the KRUNE Group's Compliance Officer [compliance@krone.de](mailto:compliance@krone.de) or to the KRUNE Group's external ombudsman: Dr. Carsten Thiel von Herff [ombudsmann@thielvonherff.de](mailto:ombudsmann@thielvonherff.de). Employees, suppliers and third parties can submit information to the KRUNE Group online via the platform which has been set up.

Our whistleblowing system provides a confidential communication channel to report possible violations of human and environmental rights. Access to the whistleblowing system is communicated in appropriate language. Reports can also be made anonymously.

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

## **Structure and responsibilities**

The Management Board of Bernard Krone Holding SE & Co. KG is responsible for verifying compliance with the due diligence obligations set out in this declaration. The Management Board has appointed a Human Rights officer for operational implementation and monitoring who implements and controls the corresponding processes together with the Central Purchasing department.

## **Reporting and further development**

We consider addressing the issue of human rights and compliance with environmental due diligence obligations, as well as conducting a corresponding risk analysis, as a continuous process which must always be adapted and further developed.

After the end of the respective financial year of Bernard Krone Holding SE & Co. KG (1 August to 31 July), we will report annually on further developments and progress in ensuring due diligence obligations. After approval by the Management Board of Bernard Krone Holding SE & Co. KG, the Human Rights officer submits the report to BAFA within four months after the end of the financial year.



Spelle, 25.09.2023

Bernard Krone Holding SE & Co. KG

A blue ink signature of Dr. David Frink, written in a cursive style.

Dr. David Frink

Chairman of the Board  
of Directors

A blue ink signature of Dr. Stefan Binnewies, written in a cursive style.

Dr. Stefan Binnewies

Member of the board  
of Directors

A blue ink signature of Ole Klose, written in a cursive style.

Ole Klose

Member of the board  
of Directors