

Code of Conduct for suppliers

Foreword

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

We are fully aware of our responsibilities towards our customers, employees and the organisations in which we operate. We have therefore decided to set up a Compliance Management System with strict social, ethical and environmental requirements which guide us in our business activities We strive to continuously optimise our corporate actions and products in terms of sustainability.

We expect our suppliers to apply the same principles to their actions.
To this end, the KRONE Group has drawn up this Code of Conduct for Suppliers which sets out the minimum standards for business relationships with a KRONE Group company.

Please read the following Supplier Code conscientiously and implement it when working with us. In addition, please also oblige your suppliers and service providers to comply with the required standards and regulations.

Kind regards

Dr. Stefan Binnewies
Board of Directors
Chief Compliance Officer

Ole Klose
Board of Directors

Definitions, personal area of application,
"Supplier" means any natural or legal person supplying goods or services to a KRONE Group Company, as well as their respective employees and legal representatives. The suppliers' subcontractors are also included in the scope of application.

Laws and ethical principles
The Supplier complies with all laws applicable to his business. The Supplier supports the principles of the United Nations Global Compact, the UN Universal Declaration of Human Rights and the 1998 International Labor Organization Declaration on Fundamental Principles and Rights at Work and its successor conventions and resolutions in accordance with national laws and practices.

Grievance mechanisms
The Supplier is responsible for establishing an effective grievance mechanism for his employees. In addition, the Supplier must forward information on the KRONE whistleblower system to his employees.

Social responsibility

- **No child labour**

The Supplier will not employ children below the minimum legal employment age in the relevant country or jurisdiction. If no minimum age of employment is specified, the Supplier will not employ children under the age of 15 (or 14 in certain developing countries according to ILO Convention 138). Employment or work which, because of its nature or the conditions under which it is carried out, is likely to be dangerous to the life, health or morals of young persons must not be carried out by persons under the age of 18.

- **No forced labour, modern slavery and human trafficking**

KRONE does not accept any form of forced labour, modern slavery, human trafficking, servitude or involuntary labour in its global operations, business activities or supply chains. Work must always be done voluntarily. Employees must be allowed to retain control of their identity documents (e.g. passport, work permit or any other personal legal document). The Supplier will ensure that employees do not pay any fees or other payments for being employed during the entire recruitment phase and employment period. The Supplier is responsible for the payment of all legally binding fees and expenses (e.g. licences and charges) which may be incurred in conjunction with his employees.
Physical punishment, psychological and/or physical coercion are prohibited. Disciplinary policies and procedures must be clearly defined and communicated to employees.

- **Remuneration and working hours**

The Supplier will comply with all applicable national laws and binding industry standards on working hours, overtime, wages and salaries and other employer benefits.
The Supplier will pay employees promptly and communicate to employees the basis on which employees are paid in an understandable and clear manner.
Deductions from wages and salaries as a disciplinary measure will only be authorised if they are legally permissible.

- **Freedom of association and collective bargaining**

The Supplier's employees must have the free choice to join or not join a trade union/workers' representation of their choice without threat or intimidation. The Supplier acknowledges and respects the right of the collective bargaining parties to engage in collective bargaining within the framework of the applicable laws.

- **Diversity / non-discrimination**

The Supplier will, where possible, promote a working environment which is inclusive and values the diversity of his employees. The Supplier must not discriminate or accept discrimination on the basis of sex, race, religion, age, disability, sexual orientation, national origin or any other characteristic protected by law without a factual reason.

- **Occupational health and safety**

We expect our business partners to strive to achieve a high level of occupational health and safety by applying a health and safety management system appropriate to their business.
The supplier will comply with the applicable occupational health and safety regulations and ensure a safe and healthy working environment in order to preserve the health of employees, protect third parties and prevent accidents, injuries and work-related illnesses. This includes regular risk assessments of workplaces and the implementation of appropriate hazard prevention and precautionary measures. Employees must be adequately trained in occupational safety and health topics.

Ethical business conduct

- **Data protection and disclosure of information**

The Supplier will comply with applicable data protection and security laws and regulations and their future consequential provisions. This applies in particular with regard to personal data of business partners, consumers and employees.

The Supplier will comply with all the aforementioned requirements when collecting, processing, transferring or using personal data.

Suppliers will protect confidential information and use it only in a manner required for the conduct of the specific business. The Supplier will not disclose any information which is not already known to the public.

- **No bribery and corruption**

The Supplier will comply with all applicable national and international anti-corruption regulations, laws, rules and standards. He will refuse to accept and/or grant any pecuniary advantage of any kind (either directly or indirectly) in order to conclude or continue business. All transactions carried out by the Supplier will be documented in accordance with the legal requirements. The supplier has a zero tolerance policy

- **Trade regulations**

The Supplier will comply with all applicable trade and import regulations, including sanctions and embargoes which apply to his work.

- **Money laundering and financial records**

The Supplier will comply with all applicable anti-money laundering laws and regulations. The Supplier will maintain financial records and prepare reports in accordance with international laws and regulations.

- **Fair competition**

The Supplier will comply with applicable competition and antitrust laws. In particular, he will refrain from accepting contracts or coordinating practices with the content or effect of avoiding, distorting or restricting competition.

- **Conflicts of interest**

The Supplier will ensure that conflicts of interest with any KRONE Group Company do not exist or arise. A conflict of interest exists when a person may have a private/personal interest in the conclusion or continuation of a contractual relationship which is not based solely on factual and/or company-related reasons. Potential conflicts of interest include, but are not limited to, kinship, affinity, partnership or business relationships between suppliers or their employees and employees of the KRONE Group. The Supplier will disclose any actual or potential conflict of interest with KRONE Group personnel.

Ecological responsibility

- **Responsibility and care towards the raw material supply chain**

Our suppliers are obliged to comply with their due diligence obligations towards raw materials – especially rare and hazardous ones. This includes the obligation of our suppliers to introduce measures to be able to identify and minimise risks at an early stage, particularly in connection with direct and indirect financing of armed conflicts and serious violations of human rights, child labour, forced labour and modern slavery.

This includes the continuous efforts of our suppliers to improve transparency along the entire supply chain of raw materials

- **Dealing with conflict minerals**

Our suppliers are required to establish processes for conflict materials in accordance with the OECD Due Diligence Guiding Principles to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas.

- **Dealing with chemicals**

Supplier undertakes to comply with the relevant chemical regulations in the respective relevant markets and to fulfil its information obligations within its supply chain, both upstream and downstream. This information shall be made available to KRONE in time.
Furthermore, Supplier undertakes to comply with the international conventions of the United Nations, in particular Supplier undertakes to comply with the Minamata Convention on Mercury by not manufacturing any products containing mercury, nor using mercury in its manufacturing process for its products.
Furthermore, the supplier undertakes to comply with the Stockholm Convention on Persistent Organic Pollutants (POPs Convention). In particular, that the persistent substances named therein are not intentionally added to the product and that any impurities comply with the relevant market-relevant implementation legislation.
Furthermore, the supplier undertakes to comply with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. In particular, the relevant market-relevant implementing legislation.

- **Environment**

The Supplier will comply with all applicable environmental laws, regulations and standards and operate an effective system to identify and eliminate potential environmental hazards.

The international Environmental Management Standard ISO 14001 serves as a parameter for responsible environmental business. The Supplier will take appropriate and comprehensive measures in accordance with this standard to ensure adequate environmental protection.

We expect our business partners to strive to support climate protection through the goods and services they supply. In this context, we also expect our suppliers to take appropriate account of climate protection in their own operational activities, e.g. by setting climate protection targets and implementing them accordingly in order to reduce air emissions such as greenhouse gases or other emissions which are hazardous to health and the environment.

- **Sustainable production**

Our suppliers' products are manufactured by the efficient use of water, raw materials and energy, in particular by the use of renewable raw materials. The Supplier will take

these requirements into account in development, raw material processing, production, lifecycle management, recycling and other activities.

We expect our business partners to minimise damage to health and the environment. Our suppliers will avoid waste, enable the reuse of resources and promote recycling. The safe and environmentally sound disposal of residual waste, chemicals and waste water as well as recycling must be taken into account during the development, manufacture, product repair as well as disposal of the product.

We expect our business partners to avoid substances and materials which are harmful to the environment or health as far as possible and to find alternative environmentally friendly, long-term solutions. You must register and declare hazardous substances in accordance with the legal requirements in the respective countries and obtain approval if required.

- **The safeguarding of natural resources**

In violation of legitimate rights, the Supplier must not deprive people of land, forests or bodies of water, the use of which secures their livelihood. The Supplier will refrain from harmful soil changes, water and air pollution, noise emissions and excessive water consumption if this harms the health of people, significantly impairs the natural resources for the production of food or prevents the access of people to safe drinking water or sanitary facilities.

- **Planning for operational continuity**

The Supplier will take precautionary measures in the event of disruptions to its business activities (e.g. natural disasters, terrorism, software viruses, illness, pandemic, infectious diseases). The precautionary measures include, in particular, disaster plans to protect employees and the environment as far as possible from the effects of possible disasters in the area of business activities.

Dialogue with the business partners

The Supplier will comply with the respective applicable statutory provisions on auditing and disclosure.
The Supplier encourages its own suppliers to comply with the Code of Conduct for Suppliers as part of the fulfilment of their contractual obligations.

Compliance with the Code of Conduct for Suppliers

The Supplier will inform the employees in question about the rules of conduct and maintain a suitable system for monitoring and complying with the rules. The KRONE Group reserves the right to review compliance with the requirements of the Code of Conduct upon reasonable notice.

The KRONE Group encourages its suppliers to introduce their own binding guidelines for ethical behaviour. If different codes of conduct apply to the Supplier, the stricter rules must be observed in the relationship with the KRONE Group.

Management System
We expect our suppliers to have a management system in place that

- ensures compliance with applicable laws, regulations and customer requirements relating to the business activities, products and/or services of the supplier;
- ensures compliance with this Supplier Code;
- identifies and minimises risks in supply chains. The system should be designed to continuously improve the social, ethical and environmental performance of the company.

We expect our suppliers to inform us promptly of any suspected violations in their supply chains and of the measures they have taken.

Notification of violations
We expect our suppliers to notify us of possible violations of our Code of Conduct; this includes possible violations committed by KRONE employees. Our whistleblower system applies to our own employees as well as to employees of our business partners and other external persons. The whistleblower is protected from sanctions.

Contact persons are the Compliance Officer of the KRONE Group and the independent Ombudsman who can be contacted confidentially outside KRONE:

Compliance Officer:
Irene Vehring
compliance@Krone.de
+49 (0)5977- 935 48714

Ombudsman:
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Any violation of the obligations set out in the Code of Conduct for Suppliers will be considered a material breach of contract on the part of the Supplier and may entitle the Supplier to extraordinary termination of the contractual relationship.