



## Declaration of principles on respect for human rights

The Wacker Neuson Group is an international network of companies, employing around 6,600 people worldwide, including about 3,300 in Germany. As a leading manufacturer of light and compact equipment, the Group offers its customers a broad portfolio of products, a wide range of services and an efficient spare parts service. Wacker Neuson Group is the partner of choice among professional users in construction, gardening, landscaping and agriculture, as well as among municipal bodies and companies in industries such as recycling and rail transport. The product brands Wacker Neuson, Kramer and Weidemann as well as Enar belong to the Group.

As a global company, we are responsible for conducting our business activities in a legal and ethical framework.

In this policy statement, we, the Executive Board of Wacker Neuson SE, commit to respecting and honoring human rights both in our own business operations and in our supply chain. This declaration applies to all companies and their employees within the Wacker Neuson Group. We also expect our suppliers to commit to respecting human rights, to establish appropriate due diligence processes and to pass this expectation on to their own suppliers.

Since 2013, Wacker Neuson has been a partner of the Blue Competence sustainability initiative ([www.bluecompetence.net](http://www.bluecompetence.net)), an initiative launched by the German Engineering Federation (VDMA) ([www.vdma.org](http://www.vdma.org)) to promote sustainability in the machinery and plant engineering sector and publicize sustainable solutions to the industry. With our partnership, we have committed ourselves to complying with the twelve sustainability guiding principles of the mechanical and plant engineering industry. These guiding principles include, among other things, a commitment to respecting human rights and acting in a way that conserves resources.

Our human rights strategy is based on the following international standards and guidelines.

- United Nations Guiding Principles on Business and Human Rights
- United Nations Universal Declaration of Human Rights including
  - o Civil Covenant (on civil and political rights) and
  - o Social Covenant (on economic, social and cultural Rights)
- Core labor standards of the International Labor Organization (ILO) with the five basic principles
  - o Freedom of association and right to collective bargaining
  - o Elimination of forced labor
  - o Abolition of child labor
  - o Prohibition of discrimination in employment and occupation
  - o Occupational health and safety
- Minamata Convention on Mercury
- Stockholm Convention on Persistent Organic Pollutants
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal



## Relevant human rights and environmental risks

Based on the risk analysis pursuant to § 5 Lieferkettensorgfaltspflichtengesetz (= Supply Chain Due Diligence Act, abbr. LkSG), we have identified the following human rights and environmental risks potentially associated with our business activities at our sites and in our global supply chain:

- Forced labor
- Child labor and insufficient protection of minors
- Occupational health and safety hazards
- Discrimination in any form
- Restricting freedom of association and collective bargaining
- Inadequate remuneration
- Pollution

## Measures and responsibilities for implementing human rights due diligence obligations in accordance with the LkSG

To ensure respect for human rights and the associated risk management, we have established due diligence processes in our organization and in our relationships with our suppliers, which are continuously reviewed and developed in line with changing conditions.

### Accountability and responsibilities

The overall accountability for the implementation of this declaration and our human rights due diligence obligations as defined by the LkSG lies with the Executive Board of Wacker Neuson SE (see [SCA Committee Diagram of the Wacker Neuson Group](#)). The Executive Board instructs the Group functions and managing directors of the individual Group companies accordingly. The managing directors of the companies are accountable for local implementation in their business area, while the managers of the respective purchasing organizations are accountable for implementing the LkSG due diligence obligations in relation to the suppliers managed by the purchasing organization. With regard to suppliers that are managed by employees outside the purchasing organization, accountability lies with the respective managers. The Chief Technology and Operations Officer (CTO/COO) of Wacker Neuson SE is responsible for monitoring human rights due diligence in his role as CTO and is supported operationally by the Manager Supply Chain Due Diligence (MSCDD). The MSCDD coordinates the activities, sets priorities and reports regularly (at least every six months) and as required to the CTO of Wacker Neuson SE; in addition, he reports regularly (at least annually) and as required, in consultation with the CTO, to the entire Executive Board of Wacker Neuson SE.

The MSCDD also chairs the Wacker Neuson Supply Chain Due Diligence Committee (WN SCDDC), which consists of members from the relevant Group functions - Purchasing, Quality Management, Compliance, Human Resources, Real Estate, Risk Management and Sustainability - and coordinates and supports the company-wide continuous improvement of due diligence processes to respect the aforementioned rights and comply with the associated obligations. The WN SCDDC is responsible on the one hand for managing the continuous improvement of the effectiveness of the due diligence processes and identifying the need to adapt the associated processes, methods, tools, documents and resources/expertise. On the other hand, it is responsible for advising and supporting the Chairman (MSCDD) in the decision-making process



in the event-driven follow-up of LkSG-related risks and concrete indications of violations of the LkSG (e.g. based on LkSG-related information from the complaints procedure and public LkSG reports relating to the supply chain of the Wacker Neuson Group).

We have also defined clear responsibilities for the evaluation of human rights risk analyses and for advising and monitoring the derivation and implementation of preventive and remedial measures. A Group function from Purchasing is responsible for the aforementioned activities in relation to the supply chain, while responsibilities in relation to our own business area are divided by topic: Human Resources for human rights and employee issues, Corporate Real Estate for occupational safety and environmental protection, including waste management.

The responsibility for implementing this declaration lies with the operational units entrusted with integrating the human rights due diligence in their respective region or specialist area.

## **Risk management**

Wacker Neuson's tool-based risk management system is designed to identify potential risks at an early stage, both in its own business operations and at suppliers. Human rights and environmental risks are also specifically taken into account. The continuous and systematic recording of potential risks, including risk assessment, definition of measures and evaluation of measures, serves to identify the relevant risk areas and the persons potentially and actually affected. In addition, risks are assessed and appropriate measures implemented in the event of significant changes to the company profile or business activities.

In our management process, we also take into account risks and specific indications of violations of human rights and environmental protection as well as information from the complaints procedure. The reported risks are taken into account in a risk database and evaluated and prioritized using a process based on this. The measures and their effectiveness are documented and incorporated into the risk assessment.

The results of the analysis of human rights risks and their potential impact are incorporated into our corporate decision-making processes with regard to supplier selection, supplier management, product development and mergers and acquisitions. The risk analysis forms the basis for deriving appropriate measures.

The management regularly discusses the findings from our human rights due diligence processes. In addition, we use the results as a basis for creating and adapting internal regulations, processes and training measures as necessary to ensure the effectiveness of our due diligence processes also in the face of changing requirements.

This risk strategy applies to all companies, sites, branches and subsidiaries of the Wacker Neuson Group and their suppliers.



## **Preventive and remedial measures**

The aim of the Wacker Neuson Group's risk policy is to define measures in such a way that they are suitable for avoiding a risk or, if this is not possible, making the risk controllable or minimizing the extent of the damage.

Based on our close relationships with our employees and suppliers, regular exchanges with other companies and the risk analysis carried out in accordance with § 5 of the LkSG, we have defined our human rights and environmental expectations towards our employees and suppliers. To implement these expectations, we have established regulations in our Code of Conduct for Employees, which applies to all persons working in the Wacker Neuson Group, and in our Code of Conduct for Suppliers, which they undertake to comply with (see <https://wackerneusongroup.com/konzern/compliance>). These regulations aim to better respect and protect human rights in general and, in particular, to minimize the risks identified in the risk analysis as far as possible.

Employees and managers are informed and, if they play an active role in the implementation of the due diligence processes, trained in order to fulfill their responsibility to protect human rights in the best possible way. In addition, our suppliers are trained on an ad hoc basis if risks or violations are identified in relation to the aforementioned standards and guidelines for the protection of human rights.

In the Code of Conduct for Suppliers, we oblige our direct suppliers to comply with the laws applicable in the respective country and the core labor standards of the ILO, to respect human rights and to address human rights-related risks appropriately with their own suppliers. The Code of Conduct for Suppliers has been mandatory for all new suppliers since 2018 and is gradually being rolled out to existing suppliers.

If there is reasonable suspicion or concrete evidence of potential human rights violations in our company or in our supply chain, we investigate this carefully and consistently. We oblige our suppliers to support us in clarifying the facts and to cooperate fully within a reasonable timeframe. Depending on the severity of the violation, we reserve the right to respond appropriately to our suppliers, from requesting immediate remedy of the violation (based on an agreed action plan) to legal action and termination of the business relationship. Irrespective of this, we will work towards compensating the violation.

## **Effectiveness control**

To ensure the effectiveness and appropriateness of our human rights due diligence processes, we evaluate regularly (at least once per calendar year) and on an ad hoc basis how effective the processes and measures are in avoiding or minimizing adverse effects on the people directly affected by our company's business activities in the area of human rights.

We review the effectiveness of measures both in our own business operations and at suppliers by evaluating the results of our analysis of human rights risks and, where applicable, violations of human rights obligations and their impact. We also carry out risk-based audits, follow up on all indications of potential human rights violations and review the effectiveness of training measures by means of comprehension questions during the training or by means of final tests. We review the effectiveness of the complaints procedure regularly, at least once a year, as well as on an ad hoc basis.

Where possible and appropriate, potentially affected parties or at least their representatives are involved in the design of our activities to ensure the appropriateness and effectiveness of our human rights due diligence processes.



## Complaints procedure

To ensure that significant violations of applicable laws, our Code of Conduct or other company policies are identified as early as possible, an online whistleblowing system ("[Tell-it](#)") is available to our employees, business partners and other external stakeholders around the world and around the clock. This can also be used to report possible human rights and environmental risks or violations of human rights or environmental obligations (as defined by § 2 (2) and (3) LkSG) to which our business activities or the business activities of our suppliers may have contributed. This ensures that potential human rights violations can be communicated at an early stage, anonymously if necessary (where permitted under applicable law), and confidentially. This makes it possible to identify potential violations. It also makes it easier to prevent future violations, minimize or eliminate their impact, and thus mitigate any adverse effects on human rights. The indications and complaints received about potential human rights violations are processed as part of a transparent and standardized process. For more information on the accessibility, responsibility and implementation of this complaints procedure, please visit the whistleblower system page.

## Reporting

As part of our annual non-financial reporting, we report on our activities to respect and promote human rights. We also report in accordance with § 10 LkSG.

Furthermore, we will review this policy statement regularly and on an ad hoc basis and adapt it if necessary.

Munich in April 2024

## The Executive Board of the Wacker Neuson Group

**Dr. Karl Tragl**  
Felix  
Chief Executive Officer  
Chief Executive Officer (CEO)

**Bietenbeck**  
Operations Officer (COO)  
Chief Technology Officer (CTO)

**Christoph Burkhard**  
Chief Financial Officer (CFO)

**Alexander Greschner**  
Chief Sales Officer (CSO)