

Report in accordance with the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG)

Reporting period from January 1, 2024 to December 31, 2024

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A. Strategy and anchoring

A1. Monitoring risk management and responsibility of management

Which responsibilities for monitoring risk management were defined for the reporting period?

The Manager Supply Chain Due Diligence, Christina Merz is responsible for monitoring the due diligence requirements under the LkSG, including risk management, with the support of the Wacker Neuson Supply Chain Due Diligence Committee, abbr. WN SCDDC, which is chaired by the Manager Supply Chain Due Diligence.

The members of the WN SCDDC are drawn from the relevant corporate functions – procurement, quality management, compliance, HR, real estate, risk management and sustainability.

A. Strategy and anchoring

A1. Monitoring risk management and responsibility of management

Has management established a reporting process to ensure that it is regularly informed, at least once annually, about the work of the person responsible for monitoring risk management?

It is confirmed that management has established a reporting process to ensure pursuant to Section 4 (3) LkSG that it is regularly informed, at least once annually, about the work of the person responsible for monitoring risk management.

- Confirmed

Describe the process for reporting to senior management on risk management at least annually or on a regular basis.

The managing directors of all operating Group companies and the members of the procurement organization have a duty to inform the supervisors about matters relating to risk management – see https://wackerneusongroup.com/fileadmin/wacker-neuson-group/03_sustainability/07_supply-chain-due-diligence-lksg/wng_sca-committee-diagram.png.

The supervisors are representatives of the procurement, HR and real estate corporate functions. They present an activity report to the WN SCDDC on a regular basis, every quarter, as well as on an ad hoc basis. The WN SCDDC supports the Manager Supply Chain Due Diligence, abbr. MSCDD in controlling the adequacy and effectiveness of the due diligence processes. This report focuses on qualitative information and quantitative key indicators to control the effectiveness of the due diligence processes.

The MSCDD chairs the SCDDC and centrally coordinates the implementation of the due diligence requirements. The MSCDD reports directly to and maintains regular and close decision-making coordination with the Chief Technology Officer, abbr. CTO. The other members of the Executive Board are involved in this decision-making as the need arises. Topics that concern the entire Executive Board or the Supervisory Board are addressed through the CTO or else together with the MSCDD.

The MSCDD also reports to the Executive Board on a regular basis about the implementation of the due diligence processes and the findings from the meetings of the SCDDC. The reporting intervals are annually to the entire Executive Board and half-yearly to the CTO. The reporting covers the following topics: status of implementation of LkSG requirements, completed and planned changes to due diligence processes and required decision-making.

Reporting on human rights was updated at Group level in the reporting year and expanded as part of preparations for reporting in accordance with the CSRD. The interfaces between LkSG and CSRD reporting were coordinated with this in mind.

A. Strategy and anchoring

A2. Policy statement on human rights strategy

Is there a policy statement that has been prepared or updated based on the risk analysis conducted during the reporting period?

The policy statement has been uploaded:

https://wackerneusongroup.com/fileadmin/general/downloads-en/01_konzern/01_compliance/wng_declaration-of-principles-on-respect-for-human-rights.pdf

A. Strategy and anchoring

A2. Policy statement on human rights strategy

Has the policy statement for the reporting period been communicated?

It is confirmed that the policy statement has been communicated to employees, the works council if applicable, the public, and direct suppliers for whom a risk was identified in the risk analysis.

- Confirmed

Please describe how the policy statement was communicated to the respective relevant target groups.

The policy statement of the Wacker Neuson Group, abbr. WNG, on respect for human rights is publicly available on the website in the German and English languages. It was communicated to employees internally via the intranet on behalf of the Executive Board. Participants in the internal training on the LkSG are regularly reminded about the policy statement.

Both the works council at the level of the European company, SE, and the Group works council were informed in a meeting about updates made to the policy statement and about the implementation of the strategy anchored within the policy statement.

During the onboarding process for the osapiens HUB for Due Diligence software, all active direct suppliers received a one-off e-mail informing them that WNG falls within the scope of the LkSG and is therefore obliged to comply with due diligence requirements in the areas of human rights and the environment and is reliant on the support of its suppliers in this context. The suppliers were informed in this connection that they would be contacted again if any need for action should arise. They also received information about the LkSG and its implementation at WNG. This information included a link to the policy statement on respect for human rights.

Suppliers for whom a risk was identified are sent an e-mail referring them to WNG's policy statement and its Code of Conduct for Suppliers. They are also asked to provide additional information on the risk situation by completing a standard questionnaire based on the risk identified.

A. Strategy and anchoring

A2. Policy statement on human rights strategy

What elements does the policy statement contain?

- Establishment of a risk management system
- Annual risk analysis
- Anchoring of preventive measures for risks in own business area, among direct suppliers and, if applicable, indirect suppliers, along with a review of their effectiveness
- Remedial action in own business area, among direct suppliers and, if applicable, indirect suppliers, along with a review of their effectiveness
- Establishment of a whistleblower system in own business area and among suppliers, along with a review of their effectiveness
- Documentation and reporting obligation
- Description of priority risks identified
- Description of human rights- and environment-related expectations of own employees and of suppliers

A. Strategy and anchoring

A2. Policy statement on human rights strategy

Description of any updates during the reporting period and the reasons for these updates.

As the due diligence processes are constantly being developed and new actors have been added, the relevant changes have been included in the policy statement in agreement with the process managers.

Thus, the company ENAR and its subsidiaries, for which the initial plan for their integration into WNG has been completed, are also now explicitly referred to in the policy statement.

Functions in the field of sustainability, which have been represented in the WN SCDDC since 2024, have been created. In addition, the description of the responsibilities of the WN SCDDC and the supervisors as well as the responsibilities with respect to suppliers not supported by the procurement organization was further clarified in the policy statement.

From a procedural point of view, the effectiveness review with regard to the whistleblower system was explicitly included in the policy statement in the reporting year and the description of the internal reporting process and the procedure for training was further clarified.

A. Strategy and anchoring

A3. Anchoring of human rights strategy within own organization

In which relevant departments/business processes was the anchoring of the human rights strategy ensured during the reporting period?

- Personnel/HR
- Site development/management
- Environmental management
- Occupational health and safety
- Communication/corporate affairs
- Purchasing/procurement
- Supplier management
- CSR/Sustainability
- Legal/compliance
- Quality management
- Mergers and acquisitions
- Business development
- IT/digital infrastructure
- Auditing
- Other: Works council, investor relations, marketing, risk management

Describe how the responsibility for implementing the strategy is allocated within the different departments/business processes.

Overall responsibility for implementing the policy statement and the human rights-related due diligence processes as set out in the LkSG lies with the Executive Board of Wacker Neuson SE. The Executive Board issues corresponding instructions to the corporate functions and the managing directors of the individual Group companies. The managing directors of the production sites and the sales offices are responsible for local implementation in their business area, whereas the heads of the respective procurement organizations have responsibility for implementing the LkSG due diligence requirements in relation to the suppliers supported by the procurement organization. In the case of suppliers supported by employees outside of the procurement organization, the responsibility lies with the respective managers.

The person responsible for overseeing the human rights-related due diligence requirements is the Chief Technology and Operations Officer, abbr. CTO/COO, of Wacker Neuson SE in his capacity as CTO. He receives operational support in this area from the MSCDD. The MSCDD coordinates activities, sets out priorities and presents reports to the CTO of Wacker Neuson SE on a regular basis, at least every six months, and as the need arises.

In addition, the MSCDD reports to the entire Executive Board of Wacker Neuson SE on a regular basis, at least annually, and on an ad hoc basis, in coordination with the CTO. The MSCDD also chairs the WN SCDDC, which brings together members from the relevant corporate functions – procurement, quality management, compliance, HR, real estate, risk management and sustainability – and coordinates and supports the Group-wide continuous improvement of the due diligence processes to ensure that the aforementioned rights are respected and the associated obligations are met. The WN SCDDC is therefore responsible on the one hand for managing the continuous improvement of the effectiveness of the due diligence processes and identifying any need to adapt the related processes, methods, tools, documents and resources/expertise. Its other area of responsibility is to advise and support the MSCDD in decision-making regarding the follow-up of any LkSG-related risks on an ad hoc basis and any specific indications of a violation of the LkSG, e.g. based on LkSG-related findings from the whistleblower system and publicly available LkSG reports concerning the WN supply chain.

Clearly delineated responsibilities have been defined in the relevant corporate functions – procurement, HR and real estate – for the tasks of evaluating the human rights-related risk analysis, providing advice on preventive measures and remedial action and overseeing the implementation of these measures.

A Group function from procurement is responsible for the aforementioned activities relating to the supply chain, whereas the roles and responsibilities relating to the own business area are derived from the respective core competencies with HR assigned to human rights and employee issues, and corporate real estate to occupational safety and environmental protection, including waste management.

Describe how the strategy is integrated into operational processes and workflows.

Responsibility for implementing the policy statement – and therefore the human rights strategy – lies with the operating units entrusted with integrating the human rights-related due diligence requirements into the processes in their region and/or department.

They are advised on this matter by the supervisors of the respective corporate functions – procurement, HR and real estate – who will liaise if necessary with the MSCDD. The legal and compliance department provides support in the event of queries on legal or compliance topics, and external support can be requested if required. This involves working with partners who have relevant knowledge and experience in the area of the LkSG, for example lawyers or a procurement consultant specializing in the area of sustainability and the LkSG, or else a sustainability consultant. The overarching framework is provided by a Group-wide code of conduct that is signed by all employees when they are hired as well as a RACI matrix which defines responsibilities for the due diligence processes according to “responsible”, “accountable”, “consulted” and “informed”. The content of this matrix is discussed and agreed with the employees involved in implementing the due diligence processes. The MSCDD is responsible for overseeing the implementation.

The policy statement, the Code of Conduct for Employees and information on the due diligence processes are all available on the intranet. Training is provided for all employees who play an active role in implementing the due diligence processes. The general information on the LkSG-related due diligence processes covers the following topics: terms and provisions of the LkSG, overview of committees and contact persons involved in implementing the due diligence processes at WNG, reference to the policy statement and Code of Conduct for Employees, information on the whistleblower system and on how the risk management system works in WNG's own business area and across its supply chain. As well as the information described above, the training also covers the specific activities of the respective target groups in the context of the due diligence processes. The target groups for the training are risk owners, supervisors, members of the WN SCDDC, the procurement organization, supplier management and employees involved in processes that could trigger an ad-hoc risk analysis: procurement, strategy, M&A and compliance. Any necessary process adjustments that have been identified by the WN SCDDC, among others are documented and any changes to responsibilities are updated if applicable in the RACI matrix. If required, the process adjustments and changes to responsibilities are communicated or included in training on an ad hoc basis. Otherwise, they are incorporated into the regular training measures.

Describe the resources and expertise that are made available for implementation.

The due diligence processes and associated templates are continuously improved by the process managers of the respective teams, which call on the services of external consultants – procurement and sustainability specialists and legal experts – where required. The process managers also refer to the guidance, leaflets and FAQs issued by the Federal Office for Economic Affairs and Export Control (BAFA).

The risk management system is software-based and incorporates recognized indexes.

Employees are trained by the MSCDD, who has already achieved TÜV certification as a Human Rights Officer, along with the process managers of the respective departments who contribute their specialist professional expertise.

The expertise of supervisors from the relevant corporate functions - procurement, HR and real estate - and of the MSCDD on LkSG-related matters is used to plan preventive measures and remedial action.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Was a regular (annual) risk analysis carried out during the reporting period to identify, weight and prioritize human rights-related and environmental risks?

- Yes, for the organization's own business area
- Yes, for direct suppliers

In which period was the annual risk analysis carried out?

The risk analysis in relation to WNG's own business area and its suppliers is continuously carried out and adapted with the support of due diligence software. The data used for the analysis - press releases, indexes, rankings, etc. - is continuously updated to guarantee a dynamic, ongoing abstract risk assessment for each business partner. Once the abstract risks have been identified, a concrete risk analysis is carried out on the business partners who were found to present abstract risks. The concrete risk analysis is regularly carried out on the basis of the dynamic, abstract analysis.

Risk owners in WNG's own business area are asked to report changes to their own risk inventory without delay if they identify a change in the concrete risks.

In order to ensure that all risk owners keep their concrete risk aspects up to date, an automatic process is scheduled in the database every fortnight to show the last date of change for all risk aspects. If this process finds risk aspects that have not been updated or reviewed for more than three months, e-mails are automatically sent to the risk owners asking them to review the corresponding risk aspects and update them if necessary. The supervisors have drawn up descriptions of the individual risk categories and possible measures. These descriptions, which were updated in the reporting year, provide support to risk managers when they are performing the concrete risk analysis.

If abstract risks are determined in relation to direct suppliers, a workflow triggers an e-mail message to the responsible buyers. This contains a request to check the master data and available evidence in relation to the supplier, for example certificates, contracts or audit findings, and if applicable update this information in the due diligence software. In particular, they are asked to record WNG's capacity to influence the supplier, which then becomes one of the criteria for prioritization.

In the year under review, the weighting of WNG-specific evidence and its impact on the risk score for each protected legal position was updated, completed and refined in the due diligence software.

Describe the risk analysis procedure.

Due diligence software is used to carry out the abstract risk analysis in relation to WNG's own business area and its suppliers as well as the concrete risk analysis in relation to suppliers. The system is a holistic software solution for IT-enabled implementation of the requirements of the LkSG, thus supporting risk and supplier management in alignment with the criteria set out in the LkSG. The software offers a detailed overview of the companies that belong to the Group along with their direct suppliers and – if these are known – the indirect suppliers, and also maps their specific human rights-related and environmental risks in an appropriate manner. The companies of WNG and their active direct suppliers are entered in the system. Recognized indexes (specifically the MVO Risk Checker, which checks over 3,000 sources of risk) are used to identify an abstract risk for every company entered in the system and every protected legal position as the combined result of the industry-, product- and country-specific risk assessment. For this reason, the master data of the business partners was supplemented with industry codes in the reporting year. The software is also used to support the ad-hoc risk analysis.

In order to initially record the concrete risks in the Group's own business area, all risk aspects along with explanations were sent to the risk owners of all companies by circular e-mail.

The risk owners regularly enter the feedback in the risk management database, whereby the following data is recorded: description of the risk, severity of the risk, likelihood of occurrence and a description of the measures taken as well as an assessment of their effectiveness.

New risk owners and new affiliate companies receive the explanatory information and are correspondingly recorded in the database. New risk aspects, e.g. harmful environmental impacts, are sent to all risk owners along with explanations in a circular e-mail.

If a risk ceases to apply, the risk owner deletes the corresponding description in the respective risk aspect. The risk aspects themselves cannot be deleted. Empty risk aspects therefore indicate that the risk owner has not yet identified a concrete risk in this area.

Depending on the abstract risk exposure of the supply chain, the concrete risks of individual suppliers and companies are analyzed for the Group's own business area. The concrete risk is estimated based on a self-assessment, evidence of fulfilment of audit-based standards, insights from the relationship with the supplier or tip-offs from the whistleblower system. Individual measures can then be implemented based on the concrete risk.

Risk management regarding sustainability at Group level was revised and expanded in the reporting year in view of the CSRD. The corresponding interfaces with the LkSG due diligence processes were duly coordinated. On this basis, WNG's risk management manual was updated to include topics like the LkSG and the CSRD as well as the corresponding processes and responsibilities in connection with risk analysis, as described in this report.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Was risk analysis also carried out on an ad hoc basis during the reporting period?

- Yes, due to substantiated indications of possible violations at indirect suppliers
- Yes, due to a significant change in the risk situation as a result of the development of new business areas

Describe the specific reasons for the ad-hoc risk analysis.

Due to high abstract risk scores and based on substantiated indications, ad-hoc risk analysis was carried out at indirect and direct suppliers.

As Wacker Neuson SE sought to acquire shares in a Dutch wholesaler of agricultural and forestry machinery and one German and one Belgian wholesaler of construction and construction material equipment for the mining industry, LkSG-related risk analysis was also carried out as part of the due diligence review in the merger and acquisition process.

Describe the findings produced by the analysis with regard to a significantly changed and/or expanded risk situation.

After identifying high abstract risk scores at suppliers, cases were created and these incidents were investigated in more detail. Due diligence software was used for this purpose. Where the incidents were validated, comments were requested from suppliers. In addition, a check was carried out to find out if any proceedings are currently underway. This allowed the incidents to be validated. The analysis did not find any significantly changed and/or expanded risk situation.

With regard to the merger and acquisition process, low abstract overall risk scores were determined both for the target company and its main product groups and countries in production procurement.

As the risks were related to business sectors and countries that were also previously part of the supply chain of WNG, no change or expansion of WNG's risk situation resulted from the acquisition of the minority shareholding.

Indications of concrete risks in relation to the LkSG were not revealed either by the data or during the discussions with the target company.

Describe how findings from the processing of tip-offs/complaints were taken into account.

There were no tip-offs/complaints arising from the whistleblower system in connection with the ad-hoc risk analysis.

One risk was identified on the basis of an internal report. Further analysis and tracking of the risk was subsequently performed.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk analysis

Which risks were identified in the organization's own business area during the risk analysis?

- Prohibition of the hiring or use of private/public security forces if this could lead to harm due to a lack of instruction or control
- Disregard for occupational safety and work-related health hazards
- Destruction of resources vital for human, animal and plant life and diversity through environmental pollution
- Disregard for freedom of association – the right to organize and the right to collective bargaining
- Unlawful violation of land rights
- Prohibition of forced labor and all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labor
- Prohibition of withholding of a fair wage
- Prohibition of the production and/or use of substances within the scope of the Stockholm Convention (persistent organic pollutants –POP) as well as the non-environmentally sound handling of waste containing POPs
- Prohibition of the import/export of hazardous waste as defined by the Basel Convention

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk analysis

Which risks were identified in relation to direct suppliers during the risk analysis?

- Prohibition of the hiring or use of private/public security forces if this could lead to harm due to a lack of instruction or control
- Disregard for occupational safety and work-related health hazards
- Destruction of resources vital for human, animal and plant life and diversity through environmental pollution
- Disregard for freedom of association – the right to organize and the right to collective bargaining
- Unlawful violation of land rights
- Prohibition of forced labor and all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labor
- Prohibition of withholding of a fair wage
- Prohibition of the production and/or use of substances within the scope of the Stockholm Convention (persistent organic pollutants –POP) as well as the non-environmentally sound handling of waste containing POPs
- Prohibition of the import/export of hazardous waste as defined by the Basel Convention

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk analysis

Which risks were identified in relation to indirect suppliers during the risk analysis?

- Prohibition of forced labor and all forms of slavery

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Were the risks identified during the reporting period weighted and – if necessary – prioritized, and if so, on the basis of which adequacy criteria?

- Yes, on the basis of the expected severity of the violation according to degree, number of people impacted and irreversibility
- Yes, on the basis of the organization's own capacity to influence
- Yes, on the basis of the probability of occurrence
- Yes, on the basis of the nature and extent of the organization's own business activities
- Yes, on the basis of the nature of the causal contribution

Describe in more detail how the risks were weighted and – if necessary – prioritized, and which criteria were taken into account.

The identified risks were weighted and prioritized using the osapiens HUB for Due Diligence software based on the following criteria: Typically expected severity of the violation by degree, number of people impacted and irreversibility of the violation, probability of the occurrence of the violation, nature of WNG's causal contribution, capacity of WNG to influence entity directly responsible for causing the violation and/or the risk, and, in the case of suppliers, the nature of the supplier's business activity and the extent of the supplier's business activity – in particular geographic locations.

The violations that are deemed to be particularly severe and irreversible refer in particular to breaches of the prohibition of the worst forms of child labor, the prohibition of torture and the prohibition of forced labor and slavery. A high priority is attached to such risks.

After that, consideration is above all given to risks that always affect a large number of people, such as breaches of standards to protect health and safety at work, wage discrimination, and the causing of harmful soil degradation, air pollution and water pollution. Suppliers from high-risk sectors are always the main focus in the weighting and prioritization process. The ability to influence the entity that directly caused the potential violation is assessed in particular on the basis of the volume of sales transacted with the supplier in question.

The weighting of risks is carried out by supervisors from the responsible corporate functions, who first assess the abstract risks. The risk owners then carry out the concrete analysis of the abstract risks with a medium, high and very high weighting in consultation with the responsible supervisors, with the support of key users if necessary.

Based on this, the risk prioritization is carried out. A risk is considered to be prioritized if, in the course of the concrete risk analysis, all the adequacy criteria have been applied to it, the gross risk is medium to very high and there is sufficient information available to be able to adopt measures.

In 2024, all identified abstract risks were fully mapped for the first time. This provided the basis for deriving the risks that would subsequently undergo concrete weighting and prioritization.

Risks that are not related to WNG's core business and value creation in products and services – such as the above-mentioned risk identified in relation to indirect suppliers – are also prioritized in accordance with the above-described system.

B. Risk analysis and preventive measures

B2. Preventive measures in own business area

Which risks were prioritized in the reporting period in the organization's own business area?

- None

If no risks were selected, give reasons for your answer.

The abstract risks for WNG's own business area were determined using due diligence software and evaluated and weighted by the responsible supervisors for each risk category. The risk of unequal treatment in employment has been defined as a focus topic in this assessment and weighting within WNG's own business area, with the aim of bringing more transparency to this complex issue, in which many aspects play a role, in particular cultural circumstances.

Therefore, the risk owners carried out a concrete risk analysis on the abstract risks identified for this topic. In the course of the concrete risk analysis, only low and very low gross risks have been identified after the application of the adequacy criteria.

B. Risk analysis and preventive measures

B2. Preventive measures in own business area

Which preventive measures were implemented in the reporting period to prevent and minimize the priority risks in the organization's own business area?

- Provision of training in relevant business areas

Describe the measures implemented and specify in particular the reach (e.g. number, coverage/scope).

Although no prioritized human rights or environmental risks have been identified, preventive measures have been implemented to address potential risks in the supply chain.

On the one hand, there are Group-wide compliance training courses, which deal, among other things, with the topic of unequal treatment in employment. These must be completed by every new employee and repeated every two years.

On the other hand, the following general training and information measures on the LkSG and the associated due diligence requirements and protected legal positions were implemented within the Group.

An e-learning course for interested employees was implemented on the internal online learning platform.

This course provides basic knowledge about the LkSG and its requirements for German companies and corporations based in Germany. In six chapters, it shows how the due diligence requirements of the LkSG can be implemented. In addition, there is specific content showing how risk management processes can be developed for human rights- and environment-related risks and what benefits can be derived from them.

Employees were also provided with the following information via the intranet:

- Presentation of the terms and provisions of the LkSG: protected legal provisions, due diligence obligations - in particular the obligation to take preventive measures, including training, legal risks
- Overview of WNG committees and contacts dealing with LkSG-related matters
- Reference to policy statement, internal code of conduct and complaints channel
- Request, based on wording in policy statement: Pay attention to the protected rights also and inform manager/use complaints channel if there is any suspicion of a risk/violation

Employees who play an active role in the implementation of the due diligence processes additionally received training on the following topics:

- Concrete activities for implementing the LkSG in the respective area of application – which processes and templates are used and how are they used? Incl. causal contribution: how can the training recipients reduce the risk themselves?
- Implementation of human rights-related due diligence obligations as part of the Wacker Neuson Group's sustainability strategy

The training was tailored for different target groups:

- Risk owners
- Supervisors and members of the WN SCDDC as well as their representatives
- Buyers – general LkSG-related processes
- Buyers – key user risk management
- Supplier managers
- Ad-hoc risk analysis

The risk management training document for buyers, which is used in particular by key users, was supplemented and further developed in the reporting year. The chapters regarding concrete risk analysis and measures were fundamentally revised, as the corresponding procedure was specified in concrete terms.

Information events were held for the colleagues from the scheduling department, which were conducted by Procurement Excellence and the MSCDD. These aimed at raising awareness about the due diligence processes and the protected legal positions as well as at coordinating a common understanding of roles with regard to the interface between scheduling, procurement organization and suppliers.

Describe the extent to which the training on preventing and minimizing the priority risks is adequate and effective.

The existing due diligence obligations are continually being developed to ensure that a sense of responsibility is maintained throughout the supply chain. In view of the rapidly evolving risks in global supply chains, precautions have been taken to ensure that the Group is prepared for changing conditions and is able to identify and address new risks at an early stage.

The Group-wide compliance training on the Wacker Neuson Group's Code of Conduct for Employees is available in German, English, Spanish, French, Polish, Chinese and Serbian. This is a mandatory training course that communicates WNG values as a guide for all employees and to support them in their daily work. In order to check their own progress and complete the training, participants must correctly answer questions about the learning content.

The LkSG training concept includes both an information aspect for all employees and a mandatory training aspect for employees who play an active role in the implementation of due diligence obligations. The aim of the information element is to raise employees' awareness of the subject. The focus of the training on the other hand is firstly on knowledge transfer and secondly on providing an opportunity to ask questions. This distinction between information and training is appropriate to the extent that information is sufficient for the majority of the 6,000 or so employees, whereas more detailed training is required for those employees who are directly involved in the due diligence processes. Training is more time-consuming for both the instructors and the participants.

An intranet page was created to communicate basic information on the LkSG and up-to-date information on the due diligence processes and the relevant protected legal positions. A teaser video, which is available on the site, was communicated by the Executive Board via the intranet and underlines the relevance of the topic.

In addition, a notice containing information about the protected legal positions of the LkSG and in particular about the complaints channel has been prepared for posting in areas like coffee corners or on the bulletin board at all locations. Two versions of this notice have been produced: one addressed to the white collar target group and another addressed to blue collar workers. A Group-wide roll-out is planned for 2025.

An interactive format was chosen for the initial training incorporating practical examples and answering employees' questions. The training was conducted online via Teams and the sessions were recorded for future reference.

Initial training for all employees who play an active role in the implementation of the due diligence processes has been completed. Employees who have assumed a relevant role in the meantime have also received training. A training concept is currently being developed for long-term refresher, update and in-depth training.

Comprehensive documentation in the form of a risk management manual and training documents on the software-enabled risk management system ensure that processes and responsibilities are clearly documented and accessible at all times.

B. Risk analysis and preventive measures

B3. Preventive measures among direct suppliers

Which risks were prioritized among direct suppliers for the reporting period?

- None

If no risks were selected, give reasons for your answer.

The abstract risks related to direct suppliers were determined using due diligence software and assessed and weighted by the responsible supervisors for each risk category.

In all cases where a concrete risk analysis has been carried out by the procurement organization, the violation has been confirmed. Therefore, there were no prioritized risks in fiscal 2024. When dealing with the cases, the focus was initially on news reports and complaints in consideration of the adequacy criteria.

The risks of forced labor, slavery and child labor were defined as a focus topic in the evaluation of suppliers who are not supported by the procurement organization. The aim of this assessment was to gain greater transparency due to the high severity of potential risks. Therefore, the abstract risks identified in these topic areas were weighted at an abstract level by the risk owners.

This weighting has resulted in only low and very low weightings in relation to child labor after the application of the adequacy criteria.

In consultation with the MSCDD, the risk owners of Mexican companies have chosen a medium weighting for the following topic:

Migrant workers are at risk of forced labor because they can be threatened by being told they would be reported to immigration authorities if they leave their job or if they do not work hard enough or for long enough hours. Their passports can also be taken and kept by their employers.

In most cases, human trafficking in Mexico was related to commercial sexual exploitation, forced labor, or forced begging. The most vulnerable groups for human trafficking are migrants, women, children, indigenous peoples and people with disabilities.

In consultation with the MSCDD, the risk owner of the Russian company, which, in compliance with the sanctions, supplies services to the existing Russian customers, has chosen a medium weighting for the following topic: Migrant workers in Russia work mainly in certain sectors, including construction and the manufacturing industry. Many of these migrant workers are exposed to exploitative working conditions typical of cases of human trafficking, such as withholding identification documents, non-payment for services rendered, physical abuse or extremely poor living conditions.

B. Risk analysis and preventive measures

B3. Preventive measures among direct suppliers

Which preventive measures were implemented in the reporting period to prevent and minimize the priority risks among direct suppliers?

- Development and implementation of appropriate procurement strategies and practices
- Integration of expectations in supplier selection
- Obtaining of contractual assurances for compliance with and implementation of expectations along the supply chain
- Initial and further training to enforce the contractual assurances
- Agreement on and implementation of risk-based control mechanisms

Other categories:

selected:

- Integration of expectations in supplier selection
- Obtaining of contractual assurances for compliance with and implementation of expectations along the supply chain
- Initial and further training to enforce the contractual assurances
- Agreement on and implementation of risk-based control mechanisms

Describe the extent to which the measures to prevent and minimize the priority risks are adequate and effective.

In the 2024 reporting year, the prevention measures were initially designed for business partners with high and very high business impacts and thus across all risk categories. As of fiscal 2025, prioritization at risk category level is planned and appropriate measures are to be adopted.

In line with its focus on only selecting suitable suppliers, the Group revised the supplier management process in fiscal 2023 to take human rights-related and environmental expectations into account and it has partially revised the source-to-contract process.

The following workflows and templates were included in this revision:

- Supplier management process: templates for supplier self-assessment, abbr. SSA, and supplier potential assessment = audits at suppliers, abbr. SPA
- Source-to-contract process: workflows and templates for request for quotation, abbr. RFQ, supplier nomination committee, abbr. SNC, and contract management - Code of Conduct for Suppliers

The SSA and SPA were further developed as part of the supplier management process in the reporting year taking into account in particular the protected legal positions and due diligence processes of the LkSG.

The source-to-contract process was completely updated and approved in the 2024 reporting year. A revision of the supplier nomination process is also planned for 2025, in which, among other things, LkSG-related risks are to be taken into greater consideration.

In its policy statement on respect for human rights, WNG undertakes to respect human rights not only in its own business area but also across its supply chain. WNG also sets out in its policy statement that it expects its suppliers to commit to respecting human rights, to establish appropriate due diligence processes and to pass this expectation on to its own suppliers.

An update to the Code of Conduct for Suppliers included a commitment to comply with and implement the human rights-related and environmental expectations along the supply chain and an agreement on the right to conduct ad-hoc supplier audits in the event of suspected violations.

The revised Code of Conduct for Suppliers was rolled out in the reporting year to the target group of suppliers with a high and very high business impact. The business impact is determined and kept up-to-date by the due diligence software, taking into account the risk score and the capacity to influence the responsible entity.

In addition, a guideline for negotiating the Code of Conduct for Suppliers was implemented in the reporting year. The Code of Conduct is part of the framework supply contract and reference is made to it in the terms and conditions of purchase.

When onboarding the due diligence software, the suppliers managed by the procurement organization received an e-mail containing information and a reference to the policy statement as well as information videos in relation to the LkSG and its protected legal positions. In addition, e-learning materials on these topics were selected for the suppliers. These were integrated into the due diligence software in the reporting year in order to be used from there as workflow-based measures. These allow the communication of detailed information on specific topics and provide a way to ask control questions in the event that risks were identified or if there are any suspicions of a violation.

For the abstract risks from 2024 with medium weighting for suppliers not mandated to the procurement organization, it was agreed to conduct a detailed analysis in 2025, to examine the existing measures for adequacy and effectiveness and to update them if necessary.

Category: Procurement strategy and practices

selected:

- Development and implementation of appropriate procurement strategies and practices

Describe the measures implemented and to what extent the determination of delivery deadlines and purchase prices or the duration of contractual relationships have been adjusted.

Due diligence software is used to perform the following measures:

- A regular abstract risk analysis based on artificial intelligence, abbr. AI, and concrete risk analysis
- Software-enabled ad-hoc risk analysis based on received tip-offs or reports that were identified as potentially relevant in the AI-based media screening
- Workflow-assisted implementation of preventive measures and remedial action, e.g. sending of questionnaires, links to information and training materials and assignment of e-learning

The software, the corresponding workflows and templates as well as the associated training documentation have been implemented and are continuously developed.

The risk management system was further developed in the reporting year. This involved the use of the due diligence software in day-to-day operations and refinement and establishment of the associated workflows and templates in this context.

An LkSG-specific escalation pyramid for the procurement organization was implemented in the reporting period for deviations from the standard process.

The employees of the procurement organization always act in accordance with the requirements of the LkSG, including when adjusting delivery deadlines, purchase prices and the duration of contractual relationships. In particular, during negotiations on price reductions, due care is taken to avoid measures that put suppliers under undue pressure or induce them to make cost reductions that could be associated with human rights- or environment-related risks. The aim is to ensure fair and responsible conditions.

The above-described strategy and practices were elaborated in close coordination with the management of the procurement teams and the MSCDD. Training was provided to the international procurement teams and this information is also available on the intranet for WNG employees. Colleagues who play an active role in the implementation of the due diligence processes received more detailed information about the processes and responsibilities.

Describe to what extent adjustments to the organization's own procurement strategy and practices should contribute to the prevention and minimization of priority risks.

The software-enabled risk management system and the implemented processes, as described above, are designed to monitor and address risks and violations in an appropriate and effective manner.

In order to be able to identify concrete indications of risks or violations among direct suppliers at an early stage, reports related to human rights and environmental protection are prioritized in the whistleblower system and software that can screen reports based on AI is used.

Complaints and reports are analyzed during the ad-hoc risk analysis in due consideration of the appropriateness criteria set out in the LkSG and processed in accordance with the resulting prioritization.

Employees with responsibility for risk management are defined within the procurement organization and they receive appropriate training for this role.

An escalation pyramid shows who must be involved after certain periods of time have elapsed in the event that commenced measures cannot be implemented or if they are proving to be ineffective.

B. Risk analysis and preventive measures

B4. Preventive measures among indirect suppliers

Which risks were prioritized among indirect suppliers based on the ad-hoc risk analysis?

- None

If no risks were selected, give reasons for your answer.

In the risk analysis, the focus was initially on the ad-hoc processing of news reports and complaints in accordance with appropriate prioritization. In all cases where an ad-hoc risk analysis has been performed, the violation has been confirmed. Therefore, there were no prioritized risks in fiscal 2024.

B. Risk analysis and preventive measures

B4. Preventive measures among indirect suppliers

Which preventive measures were implemented in the reporting period to prevent and minimize the priority risks among indirect suppliers?

- Development and implementation of appropriate procurement strategies and practices
- Implementation of risk-based control mechanisms

Describe the measures implemented and specify in particular the scope (e.g. number, coverage/scope).

In its policy statement on respect for human rights, WNG sets out that it expects its suppliers to commit to respecting human rights, to establish appropriate due diligence processes and to pass this expectation on to its own suppliers.

In line with its human rights strategy, WNG aims to sustainably implement its Code of Conduct for Suppliers throughout its entire supply chain. It therefore sets out in the Code that it expects its suppliers to pass on the principles and requirements of the Code to their own suppliers and subcontractors, to impress upon them the importance and urgency of compliance with the agreed terms and provisions, and to monitor this process.

The whistleblower system was updated to increase its legitimacy, computability and transparency. For more information, see the section on the “Whistleblower system”.

In addition, due diligence software is used to implement the following measures:

- AI-based media screening in relation to both direct and indirect suppliers
- Software-enabled ad-hoc risk analysis in relation to both direct and indirect suppliers

Describe the extent to which the measures to prevent and minimize the priority risks are adequate and effective.

WNG’s policy statement on respect for human rights as well as its Code of Conduct for Suppliers both aim to minimize risks as far as possible and prevent violations by clearly communicating WNG’s expectations of its suppliers in relation to the human rights- related due diligence processes, and in particular its expectation that suppliers will pass on the principles and requirements of the Code to their own suppliers and subcontractors.

In order to further improve its ability to identify concrete indications of risks or violations among indirect suppliers, the Group updated its whistleblower system in 2023 and implemented software that can screen reports based on AI, including in relation to indirect suppliers. Complaints and reports are analyzed during the ad-hoc risk analysis in due consideration of the appropriateness criteria set out in the LkSG and processed in accordance with the resulting prioritization.

B. Risk analysis and preventive measures

B5. Communication of findings

Were the risk analysis findings communicated internally to the relevant decision-makers in the reporting period?

It is confirmed that the risk analysis findings were communicated internally in the reporting period to the relevant decision-makers, such as the Executive Board, managing directors or the purchasing department in accordance with Section 5 (3) LkSG.

- Confirmed

B. Risk analysis and preventive measures

B6. Changes to risk exposure

Which changes have arisen in relation to priority risks compared to the previous reporting period?

Not applicable as risk prioritization was not yet completed in the previous reporting period.

C. Identification of violations and remedial action

C1. Identification of violations and remedial action in the organization's own business area

Were violations identified in the organization's own business area during the reporting period?

- No

Describe the procedures that are used to identify violations in the organization's own business area.

Violations can be identified in the course of the regular risk analysis or the ad-hoc risk analysis, especially if tip-offs about violations are received via WNG's whistleblower system. Violations may also be uncovered during audits in accordance with ISO 14001 and ISO 3834-2 and in the course of a statutory audit.

The internal audit plan for 2025 provides for an effectiveness review of the global due diligence processes required under the LkSG as well as a random-sample review of the implementation of due diligence processes at the local company level.

C. Identification of violations and remedial action

C2. Identification of violations and remedial action among direct suppliers

Were any violations among direct suppliers identified in the reporting period?

- Yes

Describe the basis on which the identified violations were weighted and prioritized, and which criteria were taken into account.

All violations – including the identified violation described below, which is not related to the core business of WNG – are weighted and prioritized on the basis of the following adequacy criteria: Typically expected severity of the violation, degree, number of people impacted and irreversibility of the violation, probability of the occurrence of the violation, nature of WNG’s causal contribution, capacity of WNG to influence the entity directly responsible for causing the violation as well as the nature of the supplier’s business activity and the extent of the supplier’s business activity – in particular geographic locations.

The violations that are deemed to be particularly severe and irreversible refer in particular to breaches of the prohibition of the worst forms of child labor, the prohibition of torture and the prohibition of forced labor and slavery.

When dealing with the cases, the focus was initially – in consideration of the adequacy criteria – on news reports, complaints and internal reports, since the associated cases usually have a higher probability of occurrence.

In addition, the cases with a medium to very high business impact were prioritized. The business impact is computed by the software based on the combination of risk score and capacity to influence the responsible entity.

In relation to which topics have violations been identified among direct suppliers?

- Prohibition of unequal treatment in employment

Specify the number (optional)

1

Describe the appropriate remedial action you have taken.

The supplier was first asked to comment. Based on the available information, the case was further investigated and validated. It was discovered that a court case had already taken place regarding this incident, with the result that the entity responsible for the violation was ordered to take appropriate remedial action and this has already been implemented.

Therefore, there was no need for WNG to provide support for further remedial action or to take additional remedial action.

Describe the criteria that have been set out with regard to the selection and form of the measures in the context of the corresponding follow-ups for minimizing and eliminating violations.

In the reporting year, the general conditions for the preparation and documentation of a remedial action concept for direct suppliers were defined, including deadlines and responsibilities. As the above-described incident had already been dealt with in court proceedings and appropriate remedial action had been taken, no further remedial action was taken or requested by WNG.

Describe how you verify the effectiveness of the remedial action.

The supplier will continue to be observed as part of the risk management system. If further reports on this topic are identified or complaints are received during the media screening, they will be evaluated and prioritized accordingly so that any necessary measures can be adopted.

Has the remedial action brought the violation to an end?

- Yes

Explain.

The entity responsible for the violation is obliged to report annually on compliance with the agreement and to ensure that its managers and HR employees are trained in relation to the prohibition of discrimination on the grounds of taking protected leave. As part of the agreement, the supplier will pay compensation to employees who have taken protected leave from the company since May 2017, as well as an amount to cover legal expenses. The director of the civil rights authority said the agreement would help prevent this form of discrimination in the future.

Have you analyzed the extent to which the identified violation is an indication that existing preventive measures may have to be adapted/supplemented? Describe the process, outcome and impact.

Key performance indicators are recorded and checklists are used to regularly review the adequacy and effectiveness of the due diligence processes, including the preventive measures; see section E "Adequacy and effectiveness". In addition, it is planned to establish the process of assessing the adequacy and effectiveness of the preventive measures in the course of dealing with specific incidents.

C. Identification of violations and remedial action

C3. Identification of violations and remedial action among indirect suppliers

Were any violations among indirect suppliers identified in the reporting period?

- Yes

Describe the basis on which the identified violations were weighted and prioritized and which criteria were used.

All identified violations are weighted and prioritized on the basis of the following adequacy criteria: Typically expected severity of the violation, degree, number of people impacted and irreversibility of the violation, probability of the occurrence of the violation, nature of WNG’s causal contribution, capacity of WNG to influence the entity directly responsible for causing the violation as well as the nature of the supplier’s business activity and the extent of the supplier’s business activity – in particular geographic locations.

The violations that are deemed to be particularly severe and irreversible refer in particular to breaches of the prohibition of the worst forms of child labor, the prohibition of torture and the prohibition of forced labor and slavery.

When dealing with the cases, the focus was initially – in consideration of the adequacy criteria – on news reports, complaints and internal reports, since the associated cases usually have a higher probability of occurrence.

In addition, the cases with a medium to very high business impact were prioritized. The business impact is computed by the software based on the combination of risk score and capacity to influence the responsible entity.

Describe what remedial action has been taken, if any, and in particular which criteria have been set out regarding the selection and form of the measures in the context of the corresponding concepts for bringing violations to an end and minimizing violations.

The direct supplier of WNG which was the business partner of the respective indirect supplier in the case described above immediately terminated the business relationship after the incident. Therefore, no further remedial action was implemented by WNG.

In the reporting year, the general conditions for the preparation and documentation of a remedial action concept for indirect suppliers were also defined, including deadlines and responsibilities.

Regarding which topics were violations identified among indirect suppliers?

- Disregard for occupational safety and work-related health hazards

Specify the number (optional)

1

C. Identification of violations and remedial action

C3. Identification of violations and remedial action among indirect suppliers

If violations among indirect suppliers could not be prevented, brought to an end or minimized within a foreseeable period despite appropriate concepts:

Describe your further actions.

Since the business relationship with the responsible entity was immediately terminated by the direct supplier, WNG did not take any further measures.

D. Whistleblower system

D1. Establishment of or participation in a whistleblower system

In what form was a whistleblower service offered in the reporting period?

- Corporate whistleblower system

Describe the corporate whistleblower system and/or the whistleblower system in which your organization participates.

WNG's "Tell-it" whistleblower system is a web-based communication channel to identify possible breaches of human rights-related or environmental laws and policies as defined by the obligations set out in the LkSG, where such breaches concern the companies of WNG or their supply chains. This whistleblower system is available not only to employees but also to suppliers, business partners, customers and other third parties. "Tell-it" can be accessed on the corporate website at any time and from any location in the world. Reports are treated as confidential and whistleblowers can either choose to remain anonymous or engage in a dialog regarding their report.

The whistleblower system is accessible on WNG's corporate website under "Compliance" via an external link: <https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=6wane02&c=-1&language=eng>

D. Whistleblower system

D1. Establishment of or participation in a whistleblower system

Which potential stakeholders have access to the whistleblower system?

- The organization's own employees
- Communities in the vicinity of the organization's own sites
- Supplier employees
- External stakeholders such as NGOs, trade unions, etc.

How is access to the whistleblower system safeguarded for the various groups of potential stakeholders?

- Publicly available rules of procedure in text form
- Information on accessibility
- Information on responsibility
- Information on the process
- All information is clear and comprehensible
- All information is publicly available

Publicly available rules of procedure in text form

Optional: Provide a description.

The Speak Up Policy, which was adopted in the 2024 reporting year, also serves as rules of procedure and is available on the Wacker Neuson Group's website at the following link: <https://wackerneusongroup.com/en/group/compliance>. In addition, the Q&A section of the whistleblower system website provides essential information about the procedure: <https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=6wane02&c=-1&language=eng>

Information on accessibility

Optional: Provide a description.

The whistleblower system can be accessed at any time (24/7) from anywhere in the world. If a secure mailbox was set up, the person who submitted the report will receive confirmation of receipt into this mailbox within seven days. This mailbox can also be used to remain in contact with the person who submitted the report, ask follow-up questions, and engage in a dialog with the whistleblower. Information on follow-up measures and the conclusion of the matter can also be provided via this mailbox.

Information on responsibility

Optional: Provide a description.

The tip-offs are received by the Corporate Compliance Office as the body responsible for the whistleblower system – see above. After that, however, they are forwarded to the MSCDD as the Group’s responsible appointee for human rights-related and environmental matters in the context of the LkSG.

Information on the process

Optional: Provide a description.

Users of the system can report “violations of human rights” and “violations of environmental protection provisions”. The report can be submitted in the user’s own words and documents/photos to support the tip-off may – if so desired – be attached and uploaded in the whistleblower system.

Throughout the process of making a report, the whistleblower is informed about the protection of their anonymity if this is their preference.

The whistleblower can decide themselves if they wish to set up a mailbox for future dialog.

When a report is received, it is checked to determine whether an investigation is necessary. This is done by the Corporate Compliance Office of WNG, which as part of the Corporate Legal and Compliance department is based at the Group headquarters of Wacker Neuson SE in Munich. The investigation may be carried out by internal or external specialists in the field. After prior consultation with the Wacker Neuson compliance committee, the Corporate Compliance Office forwards tip-offs about a suspected violation of a human rights-related or environmental obligation in accordance with the LkSG to the MSCDD, who is responsible for further processing of the report. All individuals and offices entrusted with handling the tip-off treat it as confidential. The same goes for protecting the identity of the whistleblower if they have decided to disclose their identity. Information is only shared on a need-to-know basis.

Individuals who are suspected of breaching a compliance obligation are if applicable given the opportunity to make a statement on the circumstances described in the report. If the whistleblower has provided their name but does not want their name to be revealed to the individuals involved in a suspected compliance violation, the whistleblower can indicate this wish when making the report. The information in the tip-off will be passed on to government agencies if required.

The secure mailbox can be used to maintain contact with the whistleblower and inform them about follow-up measures and the conclusion of the matter. The secure mailbox will not be used in this manner, however, if this would affect internal inquiries or investigations

or if it would be prejudicial to the rights of the individuals who are at the center of a report or whose names are mentioned in a report.

All information is clear and comprehensible

Optional: Provide a description.

The information is available in the German and English languages.

All information is publicly available

Optional: Provide a description.

The information is accessible on the corresponding websites.

D. Whistleblower system

D1. Establishment of or participation in a whistleblower system

Were the rules of procedure publicly available in the reporting period?

File has been uploaded

View Rules of Procedure:

<https://wackerneusongroup.com/en/group/compliance>

D. Whistleblower system

D2. Requirements of the whistleblower system

Provide the name(s) and position(s) of the person(s) responsible for the whistleblower system.

The whistleblower system is overseen and managed by the Corporate Compliance Office.
Andreas Pesch, Chief Compliance Officer
compliance@wackerneuson.com
+49 89 35402 2222

Christina Merz, Manager Supply Chain Due Diligence, is the person responsible for handling tip-offs on LkSG-related topics. If applicable, the Wacker Neuson Supply Chain Due Diligence Committee will also be involved in the process.

It is confirmed that the criteria contained in Section 8 (3) LkSG are met for the responsible persons, i.e. that they offer a guarantee of impartiality, they are independent, they are not bound by instructions and they are sworn to secrecy.

- Confirmed

D. Whistleblower system

D2. Requirements of the whistleblower system

It is confirmed that precautions were taken in the reporting period to protect potential involved parties against disadvantage or punishment as a result of a complaint.

- Confirmed

Describe the precautions that were taken, in particular how the whistleblower system guarantees that the identity of whistleblowers remains confidential.

The whistleblower system does not store the IP addresses or other personal data of whistleblowers. Users may submit a complaint anonymously if they wish. When complaints are submitted online, the whistleblower is advised that they are not obliged to provide details that would reveal their identity. All tip-offs are treated as confidential. Depending on the reason for passing on the report, the information is forwarded in anonymized form. The persons responsible for processing the complaint are bound to confidentiality by written agreement. Only this group of people have access to the complaint and the channel of communication with the whistleblower. Similarly, this group of people has sole and exclusive responsibility for investigating the complaint. When a tip-off is being processed, the whistleblower is only asked to disclose their identity if this is necessary and unavoidable for the purpose of determining the facts. The decision as to whether or not they wish to disclose their identity lies at all times and solely with the whistleblower.

Describe the precautions that were taken, and in particular the additional measures to ensure that whistleblowers are protected.

The persons responsible for processing complaints receive training on the necessity to treat all complaints as confidential, to protect the identity of the whistleblowers and to ensure protection against disadvantage or reprisals as a result of the report.

The identity of the whistleblower is not communicated to business partners or to whoever was directly responsible for causing a violation or risk. Characteristics that would allow a whistleblower to be identified are also not communicated if at all possible.

Users of the whistleblower system are themselves given advice on how to remain anonymous when submitting a report.

D. Whistleblower system

D3. Implementation of the whistleblower system

Were any tip-offs received through the whistleblower system in the reporting period?

- No

E. Review of the risk management system

Is there a process to review risk management across the board for adequacy and effectiveness?

Which of the following areas of risk management are reviewed for adequacy and effectiveness?

- Resources and expertise
- Risk analysis process and prioritization
- Preventive measures
- Remedial action
- Whistleblower system
- Documentation

Describe how this review is conducted for each area and describe the findings – in particular in relation to the prioritized risks.

The MSCDD, who is responsible for monitoring the risk management system, is also in charge of reviewing the adequacy and effectiveness of the system. The review is based on checklists derived from the text of the LkSG, the BAFA handouts and the FAQs published by the Federal Ministry for Economic Affairs and Climate Action (BMWK), the Federal Ministry of Labor and Social Affairs (BMAS) and the Federal Office for Economic Affairs and Export Control (BAFA). The findings of this review are used to define measures that are incorporated into the due diligence processes.

These checklists were further developed in the reporting year, based in particular on the above-mentioned sources and the questionnaire for the BAFA report.

The work packages and measures planned for fiscal 2025 are described in the corresponding section of this report.

In order to also support this review with statistics, key performance indicators were implemented to assist the review of the due diligence processes for adequacy and effectiveness. The “Resources” and “Documentation” items were not defined as separate key performance indicators and are instead to be considered in conjunction with the respective due diligence processes: risk analysis and prioritization, preventive measures, remedial action and whistleblower system. “Expertise” is treated as a separate key performance indicator, whereby the people who have received training on due diligence processes must be recorded.

The representatives of the respective organizational units are responsible for the key performance indicators. The findings from the key performance indicators are discussed in the WN SCDDC, which is responsible for managing the continuous improvement of the effectiveness of the supply chain due diligence system and flagging any need to make changes to the associated processes and activities, see https://wackerneusongroup.com/fileadmin/wacker-neuson-group/03_sustainability/07_supply-chain-due-diligence-lksg/wng_sca-committee-diagram.png.

These key performance indicators are due to be refined and supplemented as needed.

E. Review of the risk management system

Does the organization have processes and/or measures in place to ensure that when establishing and implementing its risk management system, due consideration is given to the interests of its employees, employees within its supply chains and those who may otherwise be directly affected in a protected legal position by the economic activities of the organization or by the economic activities of an organization across its supply chains?

In which areas of risk management are processes and/or measures in place to ensure that consideration is given to the interests of potentially affected persons?

- Resources and expertise
- Preventive measures
- Remedial action
- Whistleblower system

Describe the processes and/or measures for the respective area of risk management.

Resources and expertise: In order to promote awareness of the LkSG and its protected legal positions among the affected persons, up-to-date information on the due diligence processes and the relevant protected legal positions is made available on the intranet in the organization's own business area.

The internal contacts for LkSG-related matters provide training and are always on hand to answer questions. An information leaflet on the LkSG and its protected legal provisions is also provided to suppliers and information videos have been made available. The objective for WNG when implementing preventive measures and remedial action is to use its resources and expertise to support suppliers as far as possible to bring violations to an end or else reduce their impact, and to minimize risks.

Preventive measures: In discussions with industry associations and other companies, WNG endeavors to continuously improve its preventive measures and to take even more consideration of the interests of potentially affected persons. WNG regards respect for human rights and commitment to protecting the environment as the shared responsibility of all stakeholders. Accordingly, the contracts drawn up by WNG set out mutual obligations to comply with its Code of Conduct for Suppliers and an undertaking by WNG to support suppliers in implementing preventive measures.

Remedial action: The remedial action for concrete violations is, if possible, elaborated in coordination with the affected persons.

Whistleblower system: Potentially affected persons may submit tip-offs anonymously using WNG's whistleblower system. These are evaluated in order to incorporate the findings into WNG's continuous improvement of its due diligence processes.