



DUE DILIGENCE REPORT

Pursuant to the Norwegian Transparency Act

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1. Introduction

1.1 Message from our President and CEO

As we reflect on the second year since the enactment of the Transparency Act in Norway, Kverneland Group's resolve to improve our environmental and social performance and governance structure related to all our stakeholders: customers, distributors, suppliers, ourselves (employees), authorities and the communities in which we operate, has only intensified.

This year's report underscores not the commencement, but the continuation of a critical journey, one that sees us explore deeper into our pledge for sustainable and ethical business conduct. Being a full subsidiary of the Kubota Group; we engage with Kubota's ESG principles and Kubota's Mission and the United Nations' Sustainable Development Goals (SDG's). Kubota's business activities are fully focused on solving issues in the areas of food, water, and the environment. These activities are guided by Kubota's brand statement "For Earth, For Life," which expresses our commitment to continue supporting the prosperous life of humans while protecting the environment of this beautiful earth.

ESG is one of the strategic foundations for Kubota's Management and thus for Kverneland Group, aimed to develop our agribusiness with the ESG sustainable business model as part of our strategic growth plan; GMB2030.

Kubota's philosophy fits seamlessly with Kverneland Group's own vision: Being a leading provider of intelligent and efficient farming systems contributing to sustainable agriculture, serving the world's growing population.

The Transparency Act has become an instrumental asset in practicing this vision and refining our practices. Alongside the forthcoming Corporate Sustainability Due Diligence Directive, we are entering a new epoch of corporate responsibility – one that Kverneland Group embraces with open arms. Our commitment to Environmental, Social, and Governance (ESG) factors is not a parallel strategy but the essence of our implement solutions growth trajectory, integral to Kubota's Long-Term Vision. The Transparency Act is a cornerstone of our comprehensive ESG commitments, reinforcing our belief that adherence to these principles is not just regulatory compliance but a foundational element of our sustainable and inclusive global growth strategy.

I extend my heartfelt gratitude for your continued trust and partnership as we pursue this significant journey. Together, we are setting a precedent for a future where corporate success is measured not just by financial performance, but by the positive impact we have on people and the planet.

Yours sincerely,
Arild Gjerde
President & CEO, Kverneland Group



1.2 Background and purpose

As we enter the second year since the introduction of the Norwegian Transparency Act, Kverneland Group continues to stand firm in our commitment to international human rights and sustainable practices. Our mission transcends the production of high-quality products; it is about driving positive change and nurturing a world that is fair, resilient, and sustainable. Our dedication to upholding human rights is woven into the fabric of our operations, both within Norway and across our global footprint. In the past, our commitment was exemplified by the implementation of a CSR Project, during which we asked our main suppliers to assess their own corporate social responsibility practices, signaling our long-standing dedication to sustainability and human rights.

This year's report builds on the foundation laid by our inaugural publication. It not only reaffirms our commitment but also charts the progress we have made in our due diligence processes. We detail our enhanced methods for identifying, preventing, and mitigating human rights risks in our operations, supply chains, and through our client relationships. This document serves as a clear record of our endeavors and the strides we have taken towards better business practices, more robust risk management, and our staunch dedication to human rights.

We also acknowledge the evolving legislative landscape, particularly with the impending implementation of the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD). These directives are set to significantly shape our operations within the EU and beyond. We embrace these developments, recognizing them as valuable opportunities to deepen our commitment to human rights and environmental stewardship, and to further align our operations with the global sustainability agenda. Moving forward, the reporting on Supply Chain Due Diligence initiatives will be part of the Kubota CSRD reporting; furthermore, the CSDDD represents a significant evolution of the legislative landscape and will cover and extend the required activities for its compliance.

The aim of this report is twofold: to reaffirm our dedication to the principles of human rights and sustainability, and to convey the outcomes of our ongoing efforts to address salient human rights risks. We provide an updated account of our due diligence processes and our proactive steps in mitigating potential human rights risks within our supply chain. This report is not just a reflection of our journey but also a marker of our progress and the evolving nature of our due diligence work, which is continually being refined. By embracing transparency, we hold ourselves to account and encourage our stakeholders to engage with us on this vital path. We remain convinced of the transformative role that business can play as a force for good in society. Through this report, we renew our pledge to this belief and to the principles that guide our actions.

1.3 Scope and applicability

This report covers the activities and operations of Kverneland AS and its subsidiaries, both in Norway and in the rest of the world, from January 1, 2022, to December 31, 2022. In accordance with the Transparency Act and the guidance issued by the Norwegian Government, the reporting requirements are applicable to both our Norwegian entities and our international subsidiaries. This ensures a comprehensive and unified approach to due diligence, risk assessments, and measures taken to address adverse impacts on fundamental human rights and decent working conditions across all our business operations. The first report will serve as the foundation for ongoing reporting and continuous improvement in our responsible business conduct.

2. Enterprise Overview

2.1. Description of the enterprise

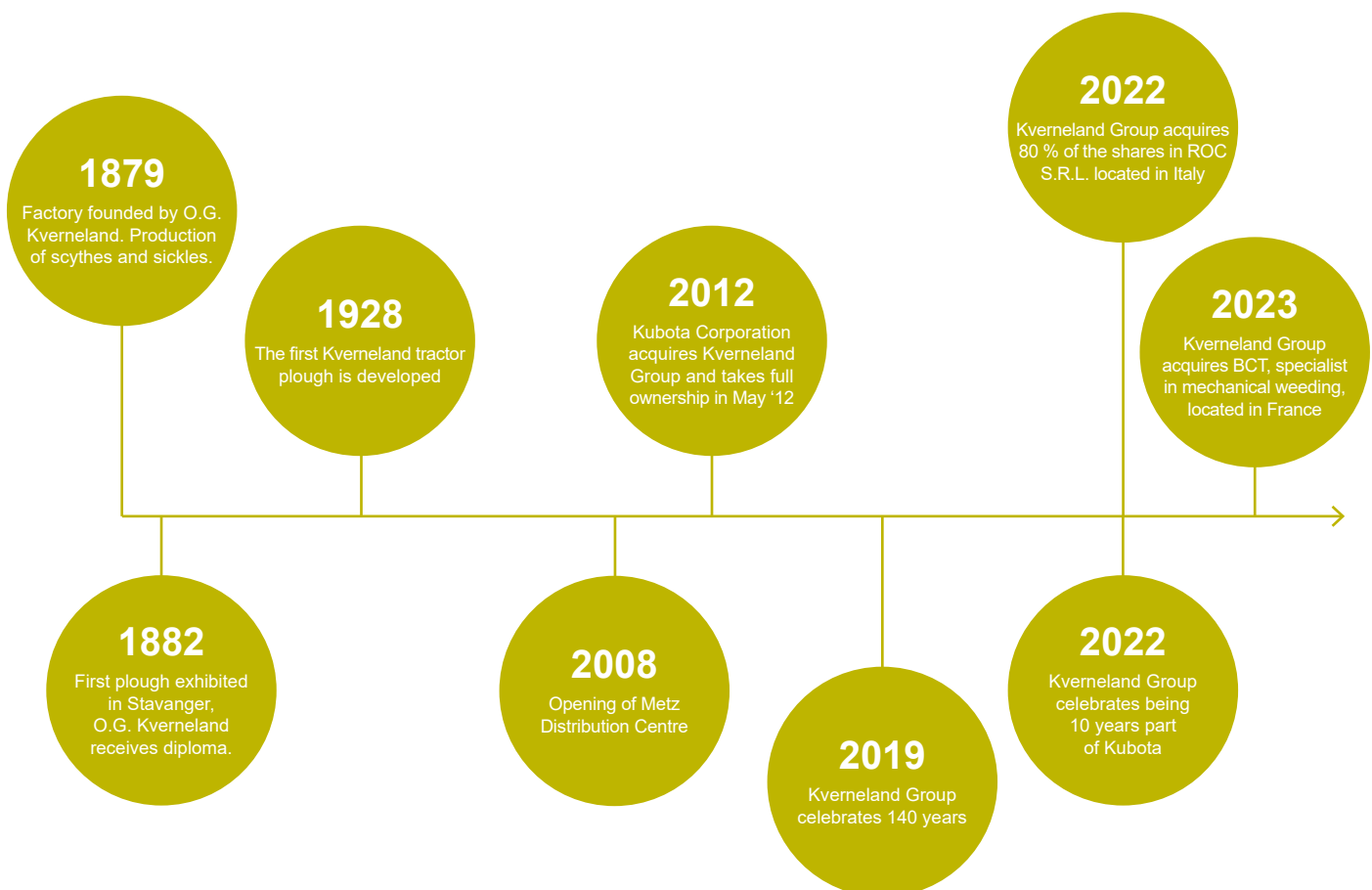
Kverneland AS is the Holding Company that owns all the entities within Kverneland Group. Since 2012, it is a fully owned subsidiary of Kubota Group.

Kverneland Group is one of the leading international companies for developing, producing and distribution of agricultural machinery. Through its strong portfolio of quality and respected brands, Kverneland Group is able to offer a complete and competitive product range to professional farmers and contractors in the areas of soil preparation, seeding and spraying, grass and forage.

The Kverneland Group is present in several markets, both geographically and from a product perspective, with a presence through distribution companies in the following countries: Denmark, Sweden, UK, Ireland, Germany, Belgium, the Netherlands, Italy, Spain, France, Poland, Czech Republic, Slovakia, Hungary, and Russia. As the products sold are mainly developed and manufactured by production companies, the Kverneland Group has several production sites in several countries.

The final customers of our products are the professional farmers as well as contractors, to which we sell through its own network of Sales Companies or with the help of importers. Both Kverneland Group sales companies and importers are in most cases selling through a network of independent dealers in their respective countries.

The name Kverneland has a long history, which goes back to 1879, when O.G Kverneland founded the first factory. From that time and until present, the Group has expanded to become a large international player within its industry. The listing below provides information on some of the main historical milestones in our history.



YEAR	MILESTONE
1879	Factory founded by O.G. Kverneland. Production of scythes and sickles.
1882	First plough exhibited in Stavanger, O.G. Kverneland receives diploma.
1894	Transition to public limited company with a share capital of NOK 50,000.
1895	New factory opened.
1902	Development of the horse-drawn plough "Record"
1928	Development of the first tractor plough.
1929	2.5 million scythes produced in 50 years.
1939	Workers at Kvernelands Fabrikk AS formed a trade union.
1947	Launch of the first tractor plough for three-point hydraulics.
1952	Launch of the Hydrein plough.
1952	Hay fork for tractor developed by local farmer and manufactured on license
1953	Introduction of the first major export drives of tractor ploughs and fork tools.
1955	Kvernelands Fabrikk AS becomes a "group" with the acquisition of Globus
1964	Opening of new plant at Øksnevad in Klepp municipality.
1965	Establishment of sales company in Denmark - the first company established abroad.
1966	Kvernelands Fabrikk AS; named company of the year in Norway.
1968	Launch of the Stenomat plough with automatic stone release.
1969	Establishment of sales company in Sweden.
1972	Acquisition of Fraugde plough factory in Odense, Denmark.
1972	Launch of reversible plough, first in the world with automatic stone release.
1973	Employees join the Board of Directors and the new Corporate Assembly.
1978	Establishment of sales company in the UK.
1983	Kverneland AS is listed on the Oslo Stock Exchange.
1984	Acquisition of Kyllingstad AS plough factory, Kleppe.
1986	Merger with grass and potato machine manufacturer, Underhaug AS, Nærbø.
1986	Establishment of sales company in Canada.
1989	Establishment of sales company in Norway.
1990	Establishment of sales company in Spain.
1992	Acquisition of rotary harrow manufacturer, Maletti S.p.A., Italy.
1993	Acquisition of grass machine manufacturer, Taarup in Denmark.
1993	Establishment of sales company in Ireland.
1994	Acquisition of seeding machine manufacturer Maschinenfabrik Accord in Germany.
1996	Establishment of European Works Council, Kverneland Group.
1997	Establishment of sales company in Poland.
1998	Acquisition of the Greenland group of companies in the Netherlands.
1999	Acquisition of agricultural machinery manufacturer, RAU, Germany.
1999	Establishment of sales company in the Czech Republic and Slovakia.
2000	Agri Winner project
2001	Further acquisitions within the vineyard mechanisation sector
2004	Kverneland Group 125 years.
2007	Establishment of centralized spare parts warehouse in Metz, France
2010	Purchase of 38,7 % of bale equipment supplier, Gallignani S.p.a.
2011	Take-over of majority of Kverneland shares by Kubota
2012	100 % take-over of Kverneland Group by Kubota
2012	Purchase of further 61.3 % Gallignani S.p.a. shares, resulting in 100% ownership
2019	140 Years Kverneland Group
2021	Purchase of 80% of ROC S.r.l. in Italy
2023	Purchase of BC Technique S.A.S. in France

Our product range:

Arable Systems Division



Plough Equipment

Conventional Ploughs, Reversible Ploughs, Eco Ploughs and Packers



Soil Equipment

Stubble and Seedbed Cultivators, Compact Disc Harrows, Subsoilers and Strip Tillers



Soil/Seeding Equipment

Precision Drills, Seed Drills, Seed Drill Combinations, Tine Seeders and Power Harrows



Weeding Equipment

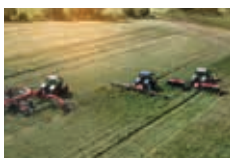
Rotary Hoes, Inter-row Cultivators, Guidance Interface



Crop Care Equipment

Sprayers, Spreaders

Harvesting Systems Division



Forage Equipment

Mowers, Tedders, Rakes, Bale Choppers



Bale Equipment

Balers, Nonstop Balers, Wrappers, Choppers and Rotary Tillers



Merger Equipment

(80% Ownership in ROC)

Precision Farming Solutions



Terminals & Accessories



Licenses



Telematics



Service Tools



iM Farming

Spare Parts



Original Spare Parts

Kverneland Group produces innovative ranges of soil and seeding equipment, forage and bale equipment, spreading, spraying, electronic solutions and digital farm services for agricultural tractors and implements for the Kubota, Kverneland and Vicon brand.



2.2 Structure and operations

All the companies in the group can be classified in one or several of the company categories below. Each category has some specific features and roles in the business activities. The company categories are defined as:

- Production Companies
- Sales Companies
- Part Ware Houses
- Other companies

Production Companies: Kverneland Group has nine production plants located in Europe. The production companies are allocated to Business Areas of the group by product range.

Sales Companies: Over the last decades, hawse have established our own Sales companies (wholly or partly owned by Kverneland) in our key markets, currently fourteen.

The main objectives for the SCs are to:

- Maximize market and customer profitability;
- Provide local representation, co-ordination and resource management;
- Be accountable for dealer structure, dealer development and development of sales conditions;
- Execute operational marketing plans in conformity with guidelines from relevant divisions and business units

Part Ware Houses: We also own warehouses, to better service our customers worldwide.

Other Companies: Kverneland AS is the ultimate parent of the Group. In addition, there are a number of sub-holding companies and companies dedicated specifically to R&D.

3. Due Diligence Process and Assessment of Adverse Impacts

3.1. Policy commitment

Following our initial statement last year, we continue to integrate human rights into our core business operations through various internal documents. Together with the Kubota Group, we have worked and established a newer, even more stringent and comprehensive Human Rights Policy.

Our commitment to these principles not only strengthens our business model around sustainability but also ensures that our operations remain resilient and future-proof. The guidelines and policies we've implemented cover different aspects of our business, reinforcing our dedication to respecting and upholding internationally recognized human rights throughout our direct operations, supply chain, and business partnerships.

In the in following, you may find a brief summary of:

- Our ethical guidelines
- Our charter for action
- Supplier code of conduct
- Kubota Group Human Rights Policy

3.1.1 Our Ethical Guidelines

Kverneland Group continues to adhere to a comprehensive and stringent set of ethical guidelines that underscore our commitment to responsible business practices. These guidelines remain the foundation of our operations, guiding every decision and action.

A pivotal element of these guidelines is our unequivocal commitment to protecting and respecting internationally recognized human rights, including our efforts to combat child labor. In line with UN conventions, specifically the Convention on the Rights of the Child and the ILO Convention No. 182 on the Worst Forms of Child Labor, our policies strictly prohibit the employment of children in any part of our operations or supply chain. Our commitment is steadfast, and we actively enforce these standards through rigorous due diligence of our suppliers and regular audits to ensure compliance. Should any violations be found, we respond swiftly and decisively to remedy the situation and prevent its recurrence.

Our ethical guidelines demonstrate our ongoing belief in upholding human rights and sustaining the highest standards of corporate responsibility. The explicit prohibition of child labor is a clear indication of our broader dedication to operating with integrity, transparency, and respect for all individuals.

3.1.2 Our Charter For Action

At the core of Kverneland Group and Kubota's mission lies a deep-seated commitment to ethical conduct and social responsibility, epitomized by our Charter for Action. This charter continues to guide us, outlining the essential principles that shape our operations and steer our decision-making processes.

Point 3 of our Charter for Action reinforces our unwavering dedication to human rights. This commitment is not merely a response to external pressures or legal mandates; it is a fundamental aspect of our core values and organizational culture.

In demonstrating this commitment, we consistently align our operations with international human rights standards, such as the United Nations Declaration of Human Rights and the Fundamental

Principles and Rights at Work defined by the International Labour Organization. We diligently ensure that all our activities, from production to distribution, respect and promote these rights.

Even prior to the implementation of the Norwegian Transparency Act, we had already integrated respect for human rights into our business model. Through ongoing monitoring, evaluation, and enhancement, we are dedicated to not only meeting but surpassing the standards set by this legislation.

We remain convinced of the transformative power of business as a force for good. By embedding human rights at the heart of what we do, we strive to make a positive impact on the communities we serve and set exemplary standards for ethical and responsible business conduct. With this Policy Commitment, we reaffirm our pledge to uphold these rights and advance their universal acknowledgment and implementation

1. Respecting Human Rights

- We support the Universal Declaration of Human Rights, and respect the human rights of all people.
- We do not discriminate or violate human rights on the basis of nationality, race, age, gender, sexual orientation, and gender identity(*), disability, or for any other reason whatsoever.
- We do not permit forced labor or child labor, and also request our business partners for compliance in this regard.

2. Prohibition of Harassment

- We do not allow infringements of human rights, such as any type of harassment, or mistreatment. We regard one another as important partners and seek to build rich and rewarding personal relationships.

3. Protection of Personal Information

- We are aware of the importance of privacy and personal information related to our customers, management, employees, and others. We comply with relevant laws and Company rules to handle information properly, and work to prevent the loss, leakage, or other misuse of personal information.

(*) Gender identity refers to the concept "how one identifies in terms of one's gender."

3.1.3 Supplier code of conduct

Our Norwegian factory, KgON, has taken proactive steps to ensure our suppliers align with our ethical standards and commitment to human rights. In this regard, we have drafted a comprehensive Supplier Code of Conduct that outlines our expectations and requirements in key areas, such as labor rights, environmental sustainability, and business integrity. Other entities within the Kverneland Group have drafted similar documents and it is our intention to uniform and standardize these documents, to apply a uniformed approach.

KgON requests all our suppliers to follow this Supplier Code of Conduct. This document sets forth a clear framework for our suppliers, providing explicit guidelines to ensure their operations align with our ethical standards. It represents our commitment to ensuring responsible business practices throughout our supply chain and offers a structured approach to maintaining this commitment.

If a supplier has already adopted similar documents that uphold equivalent ethical standards, we recognize and accept these after considerations of the documents, provided they are aligned with our principles and requirements. Our primary goal is to ensure a shared commitment to ethical conduct, transparency, and respect for human rights across our entire supply chain.

Other factories within the Group have started last year with similar code of conduct or are in the process of adapting them to their operations.

3.1.4. Kubota Group Human Rights Policy

The Kubota Group hereby declares with its Human Rights Policy that it supports international standards regarding human rights and respects these as our birthright of all people.

The Kubota Group respects the human rights of all people affected by its business activities in accordance with the procedures outlined in “The Guiding Principles on Business and Human Rights.” Further information can be found on the sustainability site of the Kubota Group¹.

3.2 Whistleblowing and complaint mechanism

At Kverneland Group, it is essential that our employees, suppliers, and business partners can report potential and/or actual breaches of our policies, guiding documents, and values. To facilitate this, we have established a robust whistleblowing policy that outlines our procedures for the safe management of reports concerning breaches of our guidelines and harmful practices, both internally and with external partners.

In our commitment to uphold human rights within our operations and supply chain, we have also set up a dedicated whistleblowing mechanism. This system offers a confidential and secure avenue for individuals to voice any concerns or abuses related to our activities.

Our whistleblowing system, particularly for matters under the Transparency Act and other ESG-related issues, is accessible via the email address esg.transparency@kvernelandgroup.com. We encourage all stakeholders to use this channel to reach out with any concerns, questions, or suggestions regarding potential human rights violations within our operations or supply chain. We recognize the importance of maintaining confidentiality and ensuring the protection of those who report through this mechanism. We assure anonymity for all whistleblowers, safeguarding their identities throughout the reporting and investigation process. All submissions received through this channel are taken seriously, thoroughly investigated, and acted upon as necessary.

We strictly prohibit any form of retaliation or intimidation against individuals who use the whistleblowing mechanism. Whistleblowers face no retaliation for their actions.

¹ Respecting Human Rights | relationships with Society | Kubota Global Site

² OECD Due Diligence Guidance for Responsible Business Conduct, 2018: <http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>; OECD Due Diligence Sector Guidance: <https://mneguidelines.oecd.org/duediligence/>

³ UN Guiding Principles on Business and Human Rights, 2011: https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

3.3. Human Rights Risk Framework

The Human Rights Risk Framework employed by Kverneland Group is designed to assess potential and actual risks in our operations, through our business partners and in our supply chain related to human rights, including decent working conditions. This framework has not been modified in the last year, but rather it has been expanded to operations in new geographical areas compared to the first report.

This risk framework is meant as an operational assistance when conducting risk assessments. It is based on the OECD Due Diligence framework², UN Guiding Principles on Business and Human Rights (UNGPs)³ and integrates different risk parameters.

Through this framework and our methods for conducting due diligence we seek to cease, prevent and mitigate potential and actual adverse impacts. This risk framework is under ongoing consideration and will be a dynamic framework to be updated when new information is adopted. In addition, we are on an ongoing basis considering and updating our methods, to reflect the dynamic nature of conducting a due diligence. Moreover, we acknowledge that this framework does not shift responsibilities.

This framework is structured to evaluate and prioritize risk factors on two primary dimensions. The country in which the suppliers operate and the specific industry/sector they belong to. By integrating these risk factors, the framework aims to provide a comprehensive understanding of the potential human rights risks associated with a given supplier, allowing organizations to make more informed decisions when engaging with suppliers.

The **country risk** factor is assessed based on the overall human rights record of the country in which a supplier (and its sub-suppliers) operates. To gauge this risk, we use the World Justice Project Rule of Law Index,⁴ the UN Human Rights Country-site⁵, International Trade Union Confederation – Global Rights Index⁶ and other relevant sources where necessary.

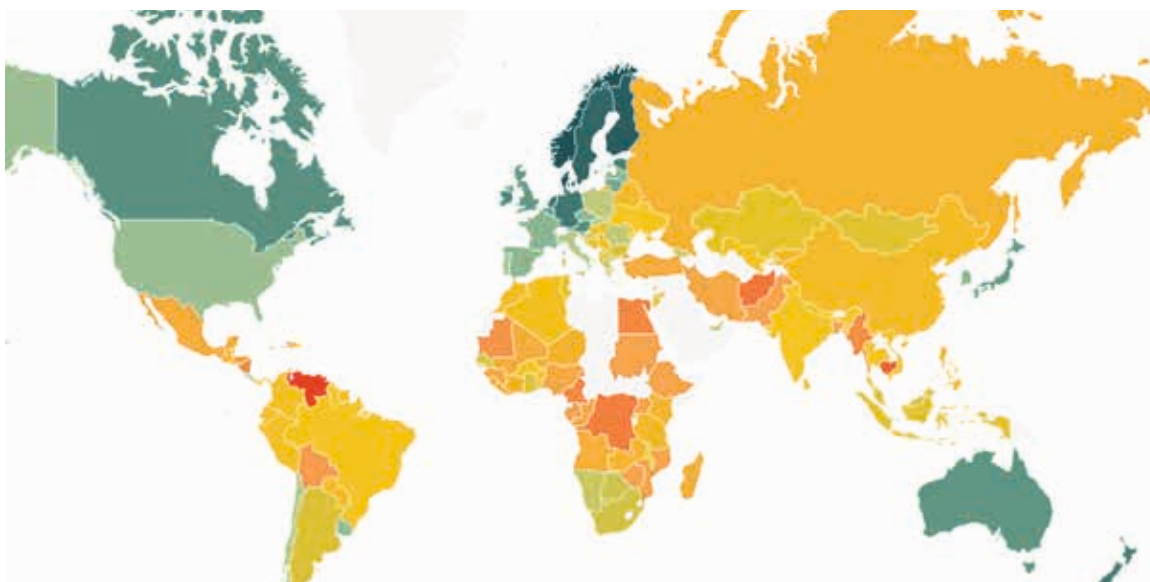


Figure 1 World Justice Project: Rule of Law Index

⁴ World Justice Project, <https://worldjusticeproject.org/rule-of-law-index/global>

⁵ UN OHCHR, <https://www.ohchr.org/en/countries>

⁶ WITUC, 2022 <https://www.globalrightsindex.org/en/2022/countries>

Furthermore, we also use reports and assessments from international and local organizations such as the United Nations, Amnesty International, and Human Rights Watch, or local unions, organizations where information is available, or local and international news sources, which can provide insight into recent human rights incidents or ongoing issues in the country, if needed.

The **Industry/Sector risk** factor is assessed based on the specific human rights challenges and vulnerabilities associated with the industry in which a supplier operates.⁷ Some risk indicators for this dimension include:

- 1) Prevalence of forced labor, child labor, or human trafficking within the industry, as reported by organizations such as the International Labour Organization (ILO) or the Global Slavery Index.
- 2) Incidents of labor rights abuses, including unfair wages, excessive working hours, or unsafe working conditions, as reported by industry associations, labor unions, or news sources.
- 3) Environmental impacts of the industry, which can indirectly affect human rights, such as pollution, resource depletion, or climate change, as reported by environmental organizations or scientific research.

By evaluating suppliers based on these two main risk factors, the Human Rights Risk Framework aims to provide organizations with a systematic and comprehensive understanding of potential human rights risks in their own operations, through their business operations and in their supply chain. This information will then be used to prioritize engagement, mitigation efforts, and ongoing monitoring to ensure that we, our business partners and our suppliers adhere to human rights principles.

As such, these two main risk factors are the foundation for how we identify and prioritize risks based on the scope, scale and remediability of the risk identified. Based on this initial analysis, we are better equipped to manage risks, and reducing potential and actual negative impacts.

In line with our ongoing commitment to enhance our due diligence processes, we are now also incorporating human rights risk assessments into our supplier audits and on-site visits, ensuring a more comprehensive evaluation and responsible management of our supply chain.

3.3.1. The Country Risk

The country risk within the Human Rights Risk Framework is assessed in a way that prioritizes human rights risks, including working conditions. Importantly, this framework and the assessment does not involve political evaluation; our Ethical Guidelines explicitly forbid political contributions done in the name of Kverneland Group. Our focus is on understanding the environment within which we, our business partners, and our suppliers (and sub-suppliers) operate, and the potential human rights challenges they may face. It is important to note that we do not analyze every single country in the world; instead, we concentrate on those that are part of our supply chain.

Based on these considerations, and applying the World Justice Project: Rule of Law Index, we have categorized the countries within our supply chain into three main risk levels:

- 1) **Low Risk:** These countries generally have strong legal frameworks and institutions that safeguard human rights, as well as a history of respecting workers' rights and working conditions.

⁷ UNEP FI, Human Rights Guidance Tool for the Financial Sector, <https://www.unepfi.org/humanrightstoolkit/finance.php>

2) Medium Risk: Countries in this category may have some challenges regarding human rights and working conditions, but they do not represent a significant risk for most suppliers.

3) High Risk: At present, there are no countries among our tier 1-suppliers that fall into this category. However, this classification would apply to countries where human rights and working conditions are severely compromised or where there is a high likelihood of human rights violations. Countries where armed conflicts are currently taking place are defined automatically as high risk and internal guidelines prohibit any business relation.

By categorizing countries based on their human rights risk, we can better understand the potential challenges and human rights risk that may occur. Furthermore, we may take appropriate action to ensure responsible and ethical practices in our business and across our supply chain.

When assessing the country risk within the Human Rights Risk Framework, we consider several key factors that are directly related to working conditions and the potential for human rights violations. These factors allow us to understand better the environment in which our suppliers operate and the specific challenges they may face. The factors and core considerations are based on the UNGP and the ILO core conventions⁸, and the indexes and instruments mentioned before inform the categorization. The factors considered include:

- 1) Workplace Conditions:** We consider the overall working conditions in each country, including aspects such as occupational health and safety regulations, adherence to labor laws, and the prevalence of exploitative or unsafe working environments.
- 2) Discrimination:** We assess the presence and enforcement of anti-discrimination laws and regulations in each country, as well as the prevalence of discriminatory practices on different parameters including, but not excluded to, gender, ethnicity, disability, sexual orientation, age.
- 3) Child Labor:** We examine the prevalence of child labor in each country, taking into account the effectiveness of legal frameworks and enforcement mechanisms designed to prevent and address this issue.
- 4) Forced or Compulsory Labor:** We assess the extent to which forced or compulsory labor is present in each country, including the effectiveness of national laws and enforcement mechanisms to combat this problem.
- 5) Freedom of Association and Collective Bargaining:** We evaluate the extent to which workers in each country have the right to form and join trade unions, engage in collective bargaining, and participate in industrial action without fear of reprisal or discrimination.

By considering these factors, we are better equipped to assess the country risk and understand the potential human rights challenges that suppliers in our supply chain may face. Each assessment is considered individually, and this framework will assist responsible employees at Kverneland Group to consider the scope, scale and remediability of a potential risk.

Although the majority of our suppliers are located in countries categorized as very low or low risk, it is essential to conduct a more in-depth analysis of the raw material trail and in tier 2 and beyond suppliers. This deeper scrutiny is a continuous effort, necessary to ensure our commitment to human rights and ethical practices.

⁸ The 8 ILO Core Conventions covers the thematic scope of: child labor, forced labor, discrimination and freedom of association. See ILO conventions: <https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12000:0::NO>

3.3.2. The Industry/Sector Risk

The industry/sector risk within the Human Rights Risk Framework is assessed based on the specific human rights challenges and vulnerabilities associated with each industry that we are closely linked to through our supply chain. We have categorized industries into three main risk levels, as outlined below. This categorization is based on guidance provided by the United Nations Global Compact⁹ and the UNEP Human Rights Guidance Tool for the Financial Sector¹⁰:

1) High Risk: Industries in this category are more prone to human rights violations due to the nature of their operations, labor-intensive practices, or the prevalence of vulnerable or marginalized workers. The high-risk industries particularly relevant for our operations include:

- *Construction:* This sector often involves hazardous working conditions, informal labor arrangements, and a higher likelihood of forced or child labor. Additionally, construction projects may have significant environmental and social impacts on local communities.¹¹
- *Raw Materials:* This category includes mining and agriculture, which are known for their labor-intensive practices, hazardous working conditions, and potential environmental degradation.¹² These industries may also have a higher prevalence of child labor, forced labor, and human trafficking.
- *Fashion and Apparel:* This industry is characterized by complex global supply chains, which can make it challenging to monitor and enforce labor rights.¹³ Workers in this sector are often subject to low wages, long working hours, and poor working conditions. Child labor and forced labor are also concerns in some parts of the industry.

2) Medium Risk: Industries in this category may not be inherently high-risk, but they can face increased human rights risks due to their interactions with high-risk suppliers. Examples of medium-risk industries include:

- *Transportation:* This sector can face risks related to workplace safety, labor rights, and environmental impacts. The risk level may increase when dealing with high-risk suppliers or transporting goods for high-risk industries.
- *Industries working with high-risk suppliers:* These industries may not be directly involved in high-risk activities, but their reliance on high-risk suppliers can create indirect risks. Examples include steel mills using iron ore or chocolate factories sourcing cocoa beans from farmers. The potential for human rights violations in their supply chains makes these industries medium risk.

3) Low Risk: Industries in this category generally have fewer human rights challenges or vulnerabilities. These industries tend to have more stable working conditions, better compliance with labor laws, and lower environmental impacts. Examples of low-risk industries include professional services, technology, and healthcare.

By categorizing industries based on their human rights risk, we can better understand the potential challenges suppliers might face and take appropriate action to ensure responsible and ethical practices across our supply chain.

⁹ <https://bhr-navigator.unglobalcompact.org/issues/migrant-workers/industry-specific-risk-factors/>

¹⁰ <https://www.unepfi.org/humanrightstoolkit/finance.php>

¹¹ <https://globalnaps.org/issue/construction/>

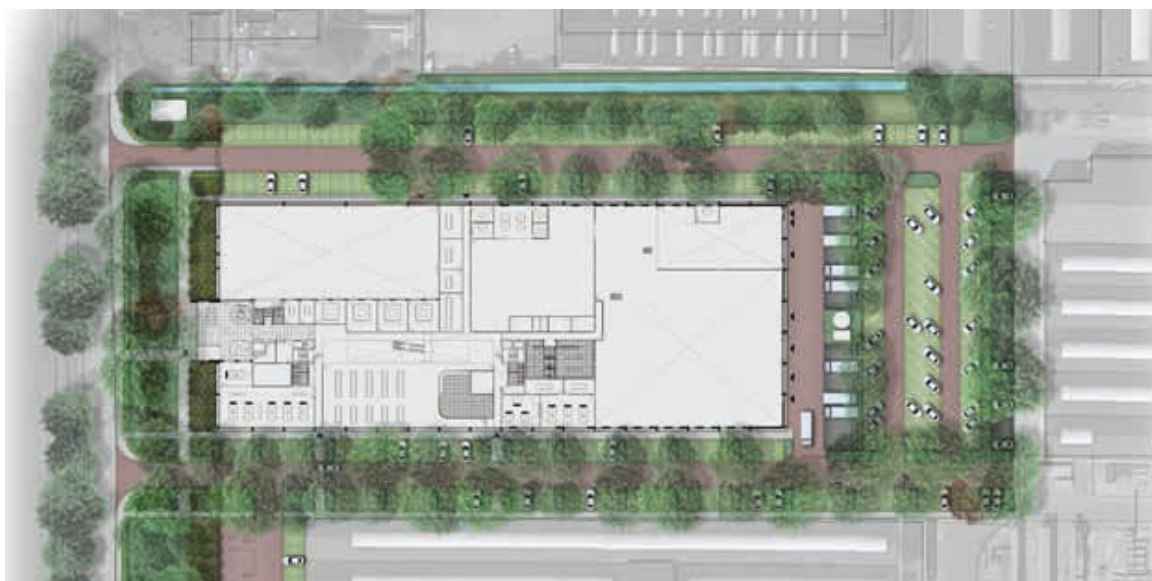
¹² <https://www.unepfi.org/humanrightstoolkit/agriculture.php>

¹³ <https://cleanclothes.org/file-repository/figleaf-for-fashion.pdf/view>

Medium Risk industries, as previously defined, may not be inherently high-risk but can face increased human rights risks due to their interactions with high-risk suppliers. Given this relationship, medium risk industries are prime candidates for tier 2 and beyond supplier investigations.

Conducting a tier 2 (and further) supplier investigation allows organizations to look deeper into their supply chain, analyzing the potential human rights risks associated with sub-suppliers. By assessing the suppliers one level below the direct suppliers (tier 1), organizations can gain a more comprehensive understanding of the human rights landscape in their supply chain and identify potential risks that may not be immediately apparent. Tier 2 and beyond supplier investigations in medium risk industries can provide valuable insights into the potential risks associated with high-risk suppliers and help organizations develop targeted mitigation strategies.

Although the construction industry is generally identified as high-risk, our only significant project in this sector is the **new office building in Nieuw-Venep, Netherlands**¹⁴, which we expect to complete by early 2025. This development is exemplary in its commitment to sustainability and ESG principles. The building boasts an impressive GPR sustainability rating of 8.5, featuring over 900 photovoltaic panels, advanced heat recovery systems, and energy-efficient LED lighting, achieving Building Energy Neutral (BENG) compliance. It incorporates eco-friendly materials like FSC and PEFC certified wood, supports sustainable transportation with extensive electric vehicle charging facilities, and enhances local biodiversity with green spaces and wildlife protection measures. This project exemplifies our dedication to minimizing environmental impact while creating a healthy, sustainable workplace.



¹⁴ https://www.klunderarchitecten.nl/klunder_portfolio/hoofdkantoor-kubota-europa-nieuw-vennep/

3.3.3. How we use the Human Rights Risk Framework

The Human Rights Risk Framework remains an indispensable tool for conducting an initial, thorough analysis of all suppliers within our organization's supply chain. This foundational level of analysis assesses each supplier based on their country and industry/sector risk, providing a comprehensive overview of the human rights risk landscape across our entire supply chain.

Following this assessment, we are able to identify suppliers that present a higher risk profile due to specific industry and/or country risk factors. By focusing our efforts on these higher-risk suppliers, we prioritize our resources and due diligence processes to tackle the most critical human rights concerns within our supply chain. This targeted approach not only allows us to proactively identify and mitigate potential human rights risks but also ensures responsible and ethical practices throughout our operations.

Focusing on higher-risk suppliers helps protect our reputation and contributes to the broader goal of promoting human rights and responsible business practices across industries and countries. By maintaining this targeted approach, we continue to proactively address significant human rights risks in our supply chain, making informed decisions about supplier engagement and fostering a responsibly managed supply chain.

3.4. Our Risk Assessment – Application of the Human Rights Risk Framework

In this chapter, we present how we have applied the Human Rights Risk Framework to conduct our risk assessment.

3.4.1. Our Direct Operations, Supply Chain and Business Partners

We recognize our responsibility to uphold human rights and ensure sustainable practices extends throughout our business. While our due diligence efforts have initially focused on our production operations and supply chain—areas with higher risks of human rights violations and environmental harm—we are committed to extending these principles across all sectors, including administration, sales, and support functions. Although these areas generally pose lower risks, the application across diverse business functions allows us to identify and learn from the difficulties encountered, thereby improving our overall corporate responsibility strategy.

We remain vigilant and continue to implement due diligence procedures throughout all business activities, ensuring they adhere to our standards of transparency, ethics, and sustainability. Our approach emphasizes that a robust commitment to responsible business conduct requires constant vigilance, regular monitoring, and proactive measures across all parts of our organization. To facilitate this, we conduct regular employee surveys¹⁵ to gather feedback on critical well-being topics such as overtime and workplace bullying. For instance, in our Kverneland Group companies in Norway, this assessment is carried out biennially in dialogue with employees and workers' representatives, with the results being actively followed up by relevant parties. By learning from each sector's application, we aim to embed respect for human rights and sustainable practices deeply within the fabric of our entire company, ensuring comprehensive compliance and advocacy beyond the areas most directly linked to our supply chain and production processes.

Our supply chain is predominantly composed of local suppliers who provide materials and components to our factories, thereby aligning our operations with community economic growth and enabling more effective oversight of supplier practices. This local sourcing strategy not only supports regional development but also strengthens our ability to manage risks associated with human rights and environmental impacts. Our factories serve as the primary source for

¹⁵ The last employee engagement survey has been conducted in the second half of 2023.

our sales companies, creating a closed-loop system that reinforces our commitment to responsible business conduct.

By relying mainly on local suppliers and our own manufacturing capabilities, we enhance our control over the entire supply chain. This approach facilitates the promotion of sustainable practices and the maintenance of high standards for human rights and working conditions. It closely aligns with the requirements and objectives of the Transparency Act, positioning us uniquely to comply effectively and take meaningful action toward responsible business operations; furthermore, it gives us a strong starting position for future projects regarding the CSDDD.

3.4.2. Scope for the Risk Assessment

While recognizing the risks inherent in all parts of our operations, our initial due diligence process primarily targeted the suppliers of our factory in Norway, KgON, which is also one of our largest production sites. KgON plays a pivotal role in our supply chain, handling everything from raw materials to assemblies and shipment, thus representing a more comprehensive value chain within the Kverneland Group. KgON, with its significant number of suppliers—many of which are shared with other factories—has been pivotal in actively implementing our Human Rights Risk Framework as part of its commitment to due diligence in the supply chain.

The work at KgON has progressed, and we have now extended these efforts to include our factories in Italy, Germany, and the Netherlands. This expansion helps to provide local anchoring and ownership, and allows us to gather valuable practices and lessons that will be rolled out across the rest of the organization over the next year. This broader implementation will align with our general preparation for the Corporate Sustainability Due Diligence Directive (CSDDD), ensuring a cohesive and comprehensive approach to due diligence across our entire operation.

3.4.3. Supplier and risk mapping, and prioritization

With the application of our Human Rights Risk Framework, our factories in Germany, Norway, the Netherlands, and Italy now apply this framework to their supply chains, analyzing their suppliers, ranging from office supplies to core production equipment providers. This comprehensive approach aids in identifying suppliers that pose the highest risk of potential human rights abuses, allowing us to focus our due diligence efforts more effectively. Through proactive engagement with these suppliers, we initiate dialogues that serve as educational opportunities, communicating our expectations and gaining insights into their operational practices. The feedback received from these interactions has been largely positive, reinforcing their commitment to our human rights principles and willingness to collaborate on these critical issues. However, we acknowledge that the information received so far necessitates a deeper examination of entire supply chains, especially concerning the risks associated with raw materials used in our production.

In total, over a thousand suppliers were part of the initial screening; the increase in number of screened suppliers is the result of the application of the Risk Framework to more production sites. Those identified as a higher risk are usually followed up by the local entity, with a request for more information done with a questionnaire; local factories are free to use their own local version, as long as the relevant information for the Human Rights assessment is present. These documents seek information on a range of areas, including their labor practices, environmental footprint, and governance structures, and information and cooperation throughout their supply chain.

Based on this initial screening, we conducted a more thorough analysis of selected suppliers. This included looking more into depth on the risk parameters through our risk framework: geographic, sector and product risk. In addition, we considered our leverage and impact. For this analysis, we have spent time both researching our suppliers and their supply chain through reporting and dialogue, but importantly, through external and independent sources from international and local NGOs and international organizations such as the UN.¹⁶ As stated before, the colleagues in the procurement departments will also document and analyze human rights and environmental topics during their supplier audits.

3.4.4. Our findings: Material Risks at Kverneland Group

Even in our second year of analysis, we have not identified any adverse impacts through our risk assessment yet. We still identify certain risks, mainly in our supply chain related to raw material production; we cannot presently completely exclude the risk in our supply chain of human rights violations of migrant workers, child labor, decent working conditions (HSE, working hours etc.) and forced labor.

While the vast majority of our tier 1-suppliers are located in the European Union, they source from areas all over the world. Our analysis shows that the majority of material risks to Kverneland Group exist at the raw material production stage. In particular, and thanks to the EU Regulation on Deforestation, we will work together with our suppliers in the areas of natural rubber and other materials that might be sourced from fragile ecosystems.

The majority of our tier 1-suppliers (and consequently, where we are considered to have the most leverage) are located in the EU. However, we know and acknowledge that there are human rights violations occurring also in the EU.¹⁷ Furthermore, several of tier 1-suppliers operate in countries identified as medium risk, which are countries that have some challenges regarding human rights and working conditions. Through our analysis and risk mapping of our prioritized suppliers, we have seen that there are risks related to the manufacturing and production sector leaning heavily on mining and other high-risk sectors. Risks include the risk for migrant workers, excessive working hours and unionizing. Kverneland Group purchase semi-finished goods, hydraulic parts, forklifts etc. that are produced in countries where these risks occur but are not directly linked to the risks and potential adverse impacts.¹⁸ We have earmarked these suppliers as those which require our highest level of attention.

Looking beyond our tier 1 suppliers in our high-level analysis, we acknowledge that the raw materials that are critical for the delivery of our products, are associated with risk. Several of our tier 1-suppliers source and have operations in countries identified as medium or high risk. A core component for our production is steel, which can be associated with various human rights risks.¹⁹ This assessment did not change in our second year of analysis.

The findings and our process represent a dynamic, ongoing effort.

¹⁶ During our analysis we have for instance used the UNEP FI human rights guidance tool, and the OECD sector guidances to inform our analysis.

¹⁷ See for instance the risk of migrant workers in varying sectors in Europe: IOM, 2022, <https://eea.iom.int/sites/g/files/tmzbd1666/files/documents/Mapping-Risks-to-Migrant-Works-in-Europe.pdf>, Human Rights Report: <https://www.hrw.org/world-report/2022/country-chapters/turkey>,

¹⁸ OECD Due Diligence Guidance, 2018, p.72: <http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

¹⁹ International Federation of Human Rights, 2022: <https://www.fidh.org/en/issues/globalisation-human-rights/ironmadein-brazil-report-reveals-iron-industry-s-human-rights-abuses>, DanWatch, <https://old.danwatch.dk/undersogelseskapitel/how-eu-steel-production-is-violating-human-rights/>; ILO: https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-manila/documents/publication/wcms_720743.pdf

4. Measures, Actions, and Continuous Improvement

4.1. Preventing and mitigating material risks

Effective prevention and mitigation of human rights risks remain a critical component of our due diligence process. Over the past year, we have refined our risk assessment procedures, identifying new measures and actions for continuous improvement based on our leverage and the specific risks encountered.

While our previous assessments did not identify any high-risk tier 1 suppliers, this finding does not justify complacency. Instead, it highlights the importance of sustained diligence, particularly as our initial investigations into raw material production deeper in our supply chain have revealed areas requiring closer attention. We recognize that managing supply chain risks is an evolving, continuous process rather than a static, one-time activity.

Going forward, we are committed to continually advancing our due diligence efforts, ensuring our supply chain not only remains resilient and reliable but also fully respectful of human rights. These ongoing efforts are integral to maintaining the integrity and sustainability of our operations.

Last year we have identified the following measures for continuous improvement, with the current status:

4.1.1. Establishing ESG Management Oversight.

This process has shown that it is necessary for our organization to establish clear and defined ESG management oversight and bodies. During the last year, both the Kverneland Group and Kubota companies in Europe have now clearly defined that ESG is part of their strategic objectives, at entity and group level.

4.1.2. Developing ESG Training of Employees

To enhance our management of risks, Kverneland Group and Kubota companies in Europe initiated multiple training activities on ESG topics, primarily targeting managing directors and executives. These efforts have been crucial in fostering an understanding of our internal policies and the Human Rights Risk Framework among leadership. Topics such as child labor, ethical business practices, and adherence to sanctions have been central to these training sessions to ensure compliance and control, including human rights risks.

In 2023 and early 2024 we increased communication efforts in ESG and Human Rights topics across our organization, accessible to all employees. However, recognizing the importance of deepening this knowledge base, we plan to broaden our educational efforts. Collaborating with our Compliance and with the Internal Communication departments, we aim to extend these training programs to include a wider range of employees. This expansion is anticipated to further mitigate the risk of human rights violations in our supply chain, embedding a robust understanding of our ethical commitments throughout the company.

4.1.3. Audits and Supplier Assessments

Regular audits and assessments of our suppliers are pivotal in identifying potential risks and non-compliant practices within our operations. While we currently conduct audits on selected suppliers and maintain ongoing engagement with them, these activities are primarily driven at the entity level rather than across the group. Recognizing the need for more comprehensive control and oversight, we plan to expand these audits to encompass group-wide initiatives.

4.1.4. Establishing clear KPIs on ESG, including Human Rights

Although we have already implemented KPIs to assess the quality of our suppliers and have integrated ESG factors into our regular scoring system, relevant KPIs specifically for human rights and ESG have not yet been identified.

We plan to develop these KPIs by the time we prepare our first Corporate Sustainability Reporting Directive (CSRD) report, which is slated for early 2026 and will cover the fiscal year 2025. The potential KPIs might include metrics such as the number of suppliers contacted, the percentage of suppliers that have signed our Supplier Code of Conduct, or the number of employees trained in human rights risk management. Establishing these indicators will not only enhance our monitoring capabilities but also support the improvement of systemic thinking on risk and ESG within our operations.

4.1.5. Risk Assessments, continuous Monitoring and Supplier Dialogue

Through the responses to our supplier questionnaire, we have gained valuable insights from our suppliers. However, we must acknowledge challenges in gathering comprehensive information directly related to our supply chain. Our initial risk assessment was based on available sources, responses to the supplier questionnaires, and our ongoing dialogues with suppliers. Recognizing the potential for improvement, we are committed to further developing our engagement with suppliers and enhancing our risk assessment processes in the coming year.

Our monitoring activities extend beyond periodic assessments; we continuously monitor our supply chain to identify potential human rights risks and evaluate the effectiveness of our risk mitigation strategies in real-time. This process is designed to be iterative, using the insights gained from our tracking and monitoring activities to refine and enhance our risk management strategies continually. We also actively seek and welcome feedback from our stakeholders, as we believe their perspectives are invaluable in helping us improve our practices.

4.1.6. Stakeholder Dialogue

We recognize that a comprehensive understanding of the risks and impacts on human rights within our supply chain necessitates active involvement from those directly affected. Moving forward, stakeholder dialogue will be an integral part of our Double Materiality Assessment (DMA) for the CSRD report, ensuring that our approach is thoroughly informed and aligned with the actual conditions and challenges faced by stakeholders.

To this end, we want to implement the following stakeholder engagement process:

1) Identifying Stakeholders: We begin by identifying the affected stakeholders, ranging from workers in our supply chain and their communities to local NGOs and government bodies in the regions where we operate.

- 2) **Establishing Dialogue:** Once stakeholders are identified, we establish open and respectful channels of dialogue. This could involve face-to-face meetings, workshops, or virtual consultations, tailored to be accessible and convenient for the stakeholders.
- 3) **Incorporating Stakeholder Input:** Our stakeholder engagement is not merely about communicating our actions but is a critical source of insights for our due diligence process. The feedback we gather is thoroughly analyzed and used to refine our policies and actions.
- 4) **Ongoing Communication:** Engagement with stakeholders is continuous. We commit to keeping communication channels open, providing regular updates on our progress, and offering ongoing opportunities for stakeholders to express their concerns or suggestions.
- 5) **Protection of Stakeholder Rights:** Throughout this process, we prioritize the protection of stakeholders' rights, ensuring that our engagement respects local customs and practices and does not expose stakeholders to any risks.

4.1.7. Communication

Underpinning our due diligence efforts is the recognized need and potential to strengthen both internal and external communication. We commit to transparency, reporting openly and honestly on our progress and findings to all stakeholders. While our policies are readily accessible to our employees, we acknowledge the necessity to enhance transparency, particularly in our risk assessments and the considerations that shape them—areas highly valued by our workforce.

Moving forward, complying with the CSDRD and the CSDDD will extend this due diligence process across the entire Kverneland Group and Kubota Group, ensuring that our operations uphold our commitment to environmental protection, human rights and ethical business conduct. We will follow a “high risk first” approach, prioritizing areas of our business and supply chain that are most susceptible to human rights abuses. This strategic, risk-based method allows for the efficient allocation of resources, focusing immediate attention where it is most crucial.

In conclusion, the measures outlined here are expected to significantly enhance our systemic approach to managing human rights risks within our organization, thereby strengthening our overall risk mitigation efforts. As part of our proactive supply chain management strategy, we continually explore the most effective ways to mitigate human rights risks. This includes close monitoring of developments within our supply chain and industry, learning from best practices, and exploring innovative solutions to stay ahead of potential challenges. Our aim is not merely to react to risks but to anticipate them, allowing us to implement preventative measures that maintain the integrity and resilience of our supply chain, supporting our sustainability commitments.

4.2. Remediation and compensation

In the unfortunate event that we identify any adverse human rights impacts linked to our operations or supply chain, we are committed to ensuring effective remediation and, where necessary, appropriate compensation. This mechanism has not been called into action yet and has not been changed from last year, but should there be any future case, we will document its severity, impact and our actions to remedy and compensate the affected parties.

4.2.1. Tailoring a Remediation and Compensation Mechanism

In developing our remediation and compensation mechanism²⁰, we recognize the importance of aligning it with the specific needs and characteristics of the human rights issues we may face. We implement principle 29, in the UNGPs with the aim „to make it possible for grievances to be addressed early and remediated directly, business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted.“²¹ Consequently, we are committed to tailoring our approach based on the scale, scope, and remedability of potential human rights violations:

- 1) Scale:** The severity of the human rights impact is a critical consideration. More severe cases may require immediate action, substantial compensation, and the involvement of higher levels of management or external authorities.
- 2) Scope:** This refers to the reach of the violation. If an issue affects a large number of individuals or has the potential to cause widespread harm, our response will need to be correspondingly broad and comprehensive.
- 3) Remedability:** We acknowledge that not all human rights abuses can be fully remedied. In cases where full remediation is not possible, our focus will shift towards compensating the affected parties and taking steps to prevent the reoccurrence of such issues.

In adhering to these principles, we aim to ensure that our remediation and compensation mechanisms are as effective and appropriate as possible. We are dedicated to doing what we can to rectify adverse human rights impacts linked to our operations and supply chain, in a manner that respects the dignity and rights of those affected.

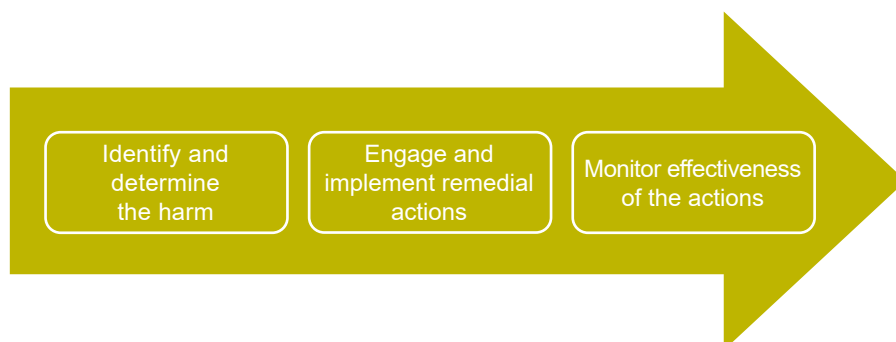
4.2.2. Our Remediation Process

The first step in our remediation process is to thoroughly understand the nature and extent of the harm caused. This could involve direct engagement with affected parties, consultations with human rights experts, or an internal investigation to gain a comprehensive understanding of the potential adverse impact at hand. Based on our understanding of the harm caused, we will identify the most appropriate remedial actions. This could range from corrective actions to prevent recurrence, changes in our business practices, or in certain cases, compensation for the affected parties.

²⁰ See UNGP, pillar 3 “Acces to remedy”, point 28: https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

²¹ Ibid.

We believe that effective remediation must involve the affected parties. Therefore, we are committed to engaging with them in a dialogue about appropriate remedial actions. This ensures that their perspectives and needs are taken into account in determining the most suitable response. Once we have determined the most appropriate remedial actions, we will move swiftly to implement them. This could involve working closely with our suppliers or other business partners to address the issue at hand. After remedial actions are implemented, we will closely monitor their effectiveness to ensure that they are successful in addressing the identified harm. If necessary, we may modify our approach based on the results of this monitoring.



In the event that we identify any issues within our operations, supply chain, or business partners, our primary objective will be to work collaboratively with the affected party to resolve the problem. We believe in fostering strong, supportive relationships with our suppliers and business partners, and this includes assisting them in enhancing their own human rights practices through corrective action plans. We will not sever our business relationships precipitously over identified issues, as we understand that improvement often requires time and effort. Furthermore, this gives us, and them, a chance to improve and make a positive impact.

That being said, should we uncover any instances of extremely grave violations that are in stark opposition to our ethical guidelines and human rights commitment, such as child labor or forced labor, we will be compelled to re-evaluate our relationship with the offending party,

4.3. Periodic review of due diligence process

We will review our due diligence process to ensure its effectiveness and to learn from our experiences. This involves a thorough analysis of our actions and results to identify areas of strength and potential improvements.

We will publish an annual report detailing our due diligence processes, findings, and steps taken. This report, freely accessible online, will not only provide insights into our efforts but also demonstrate our commitment to learning and improving. Starting in fiscal year 2025, the Corporate Sustainability Reporting Directive (CSRD) will mandate a mandatory disclosure for Kubota and Kverneland Group Entities in Europe. That report is expected to cover all the aspects of the present report format. We expect that the Corporate Sustainability Due Diligence Directive (CSDDD) will apply to our operations starting in fiscal year 2027, and its disclosure will be part of the annual CSRD report.

5. Communication and Reporting

5.1. Public reporting and disclosure

We deeply value the input and perspectives of our stakeholders. As part of our commitment to transparency and ongoing engagement, and pursuant to section 6 of the Transparency Act, we encourage stakeholders to direct any questions or comments regarding this document to esg.transparency@kvernelandgroup.com

We are dedicated to addressing these queries and providing clear, meaningful responses. We aim to respond promptly, but kindly request understanding for the time necessary to ensure thorough and accurate responses.

It is important to note that while we are committed to maintaining open lines of communication with our stakeholders, we are also equally committed to the protection of sensitive and personal data. As such, we will ensure our responses do not disclose any information that could compromise the privacy and confidentiality of individuals or entities associated with our operations.

This open channel of communication reflects our belief in the value of stakeholder engagement.

6. Conclusive remarks

As we continue this journey, we want to emphasize the seriousness with which we approach our commitment to human rights and responsible business practices. This is not a one-off exercise but a continuous and dynamic process that requires persistent dedication and improvement, and a preparation for the upcoming CSDDD.

We are keen to learn, adapt, and evolve as we encounter new challenges and gain further insights. We are committed to integrating these learnings into our ongoing efforts and future actions. Our dedication to safeguarding human rights under the Norwegian Transparency Act is unwavering, and we are devoted to continually enhancing our practices to respect and uphold human rights across all our operations and business relationships.

The comprehensive due diligence process, exemplified by the one implemented at first by KgON and then by other factories in Europe, serves as a best practice within our Human Rights Risk Framework. This framework is being adopted across the Kverneland Group. We have initiated investigations to extend this rigorous process to all other entities within the group, starting with our other factories given their critical role in our supply chain. This approach ensures that our manufacturing operations can significantly impact our adherence to human rights principles, setting a strong foundation for broader corporate compliance.

Our goal is to ensure that this standard of diligence becomes a baseline for all our operations, enhancing transparency and accountability across the group.

This Due Diligence Report pursuant to the Transparency Act (“the Report”) has been prepared for and by Kverneland AS (“the Company”) and its subsidiaries in accordance with the requirements of the Norwegian Transparency Act (Åpenhetsloven).

The information contained in this Report has been gathered and collated with the utmost care and diligence. It is based on the best information available to us at the time of writing, from sources believed to be reliable and accurate.

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