

# DEUTZ HUMAN RIGHTS CODE

Version 1/2022 | November 2022



## Preamble

The successful and sustainable management of a company depends not only on the achievement of targets but also on the manner in which they are achieved. Our aim is to combine commercial success with the fulfillment of our environmental, social, and corporate governance responsibilities. This ambition is reflected in the name of our groupwide sustainability strategy, Taking Responsibility. Respect for human rights is a key element in our understanding of sustainability.

Human rights are basic international standards aimed at securing dignity and equality for all. They are universal, inalienable, and indivisible rights, and every individual is entitled to them. It is our stated aim to ensure that they are upheld without exception and at all times, in regard both to our own business operations and business relationships and to the indirect impact of our activities. This human rights code therefore applies not just to us as a company but also to our employees, customers, suppliers, and other business partners.

This code serves to document the human rights principles that are most relevant to us. We view compliance with the code as an essential part of our internal and external interactions that will help to secure the long-term success of our business. And because transparency is equally important for this, we will report regularly on our progress and on the challenges we face in implementing this human rights code.

DEUTZ Board of Management, November 2022

## **1. Scope of application and target group**

Our human rights code applies across the Group and is therefore mandatory for all subsidiaries of DEUTZ AG in Germany and abroad. Implementation of the following principles must also take account of and be in compliance with the laws that apply in the various countries and locations. Our non-German subsidiaries are permitted, for example, to reflect individual circumstances specific to the country in which they operate, provided this is not detrimental to the code's basic principles. We also strive to ensure that any joint ventures in which we hold a majority stake also uphold these principles.

In accordance with the defined scope of application, we expect every employee of the DEUTZ Group to strictly adhere to the principles of this code. However, managers have a particular responsibility to uphold these principles in their work. They are therefore called upon to conduct themselves in a way that sets an example to others, as they would with any other part of their work, and to embed the principles of the DEUTZ Group in their area of responsibility.

As a member of the United Nations Global Compact, we not only support and respect the protection of international human rights within our own sphere of influence but are also committed to ensuring that we are not indirectly complicit in human rights abuses. We therefore also expect our customers, suppliers, and other business partners to act in accordance with applicable laws and international standards and to conduct themselves in a responsible and ethically correct manner. Furthermore, we expect them to impose the same requirements on their own supply chain. This creates the basis for a lasting and successful working relationship.

## 2. Standards, policies, and principles

We are committed to upholding international laws, conventions, and declarations and underline our endorsement of their content and principles. They include

- the German Supply Chain Due Diligence Act,
- the UN Guiding Principles on Business and Human Rights,
- the United Nations Universal Declaration of Human Rights,
- the International Labour Organization's Declaration on Fundamental Principles and Rights at Work,
- the ten principles of the United Nations Global Compact, and
- the OECD Guidelines for Multinational Enterprises.

The rights, obligations, and prohibitions set forth in these serve as the basis for our human rights code. We regard certain key aspects, detailed below, as a mandatory framework for our actions and for those of our business partners. They complement the human rights content featured in the DEUTZ code of conduct. The requirements for suppliers and other business partners are set out in greater detail in our code of conduct for suppliers.

### **PROHIBITION OF CHILD LABOR AND ALL FORMS OF FORCED OR COMPULSORY LABOR**

It is forbidden to employ, in any capacity, a child below the statutory minimum school-leaving age at the place of employment or who is below 15 years of age.

All forms of forced or compulsory labor are strictly prohibited, including suppression in and around the workplace environment, for example by means of extreme economic or sexual exploitation or acts of humiliation.

### **PROHIBITION OF DISCRIMINATORY PRACTICES; RIGHT TO EQUAL TREATMENT**

No-one should be favored, disadvantaged, or excluded on the basis of irrelevant criteria. Such criteria may include but is not limited to ethnic or social background, nationality, gender, age, skin color, health, disability, language, religious or political beliefs, union membership, marital status, pregnancy, sexual orientation, gender identity/expression, financial status, and birth. This means, all else being equal, that

no gender-specific differences in pay are permitted and that the employment relationship cannot be terminated for unjustified reasons, for example if a person gets married, falls pregnant, becomes a parent, or contracts HIV.

### **RIGHT TO FAIR, EQUITABLE, AND SAFE WORKING CONDITIONS**

Everyone has the right to fair, equitable, and safe working conditions. As well as the right to equal pay for equal work, this includes the right to receive a wage that is sufficient to ensure a reasonable standard of living. Furthermore, national laws and collective pay agreements enshrine the right to regular paid vacation and to recreation, free time, and – most importantly – to an appropriate limitation of working hours in order to prevent excessive physical and mental exhaustion.

Regarding the health and safety of employees in the workplace, the provisions of the occupational health and safety laws applicable to the place of employment must be complied with and appropriate safeguards must be put in place to prevent accidents and damage to health. This means that risks associated with the working environment must be minimized and employees must undergo regular health and safety training. However, ensuring a safe workplace also means protecting employees from sexual harassment and from abusive, exploitative, or threatening behavior. This applies not only to psychological and physical abuse and punishment but also to the mere threat of such action.

### **RIGHT TO PRIVACY AND PROTECTION OF PERSONAL DATA**

Everyone has the right to privacy and to have their personal data protected. Compliance with all relevant data protection laws applicable at national and international level, in particular the European Union's General Data Protection Regulation (GDPR), is essential if this right is to be upheld. This means protecting and safeguarding information that would allow conclusions to be drawn about specific or identifiable individuals. Any personal data that is collected and stored must be processed solely for the intended purpose, in a verifiable manner, carefully, and in accordance with its sensitivity.

## **RIGHT TO FREEDOM OF OPINION, FREEDOM OF ASSOCIATION, AND COLLECTIVE BARGAINING**

Everyone has the right to freedom of thought, opinion, and expression.

All humans have the right to assemble peacefully and to form associations with others. Compulsory membership of a particular association is prohibited.

Everyone has the right to form or to join unions or other representative bodies in order to protect their interests. It therefore follows that each individual also has the right to be represented in collective pay bargaining. The employer is not allowed to meddle in or otherwise impede the formation of unions or collective pay bargaining. It must engage openly with the work of the unions and their organizational activities. Employee representatives must not be discriminated against and must be given the opportunity to perform their representative tasks at their place of work.

### **3. Whistleblowing system, contact details, and treatment of human rights abuses**

In order to identify, at the earliest possible stage, behavior that violates laws or regulations or other matters relevant to compliance, and to immediately put a stop to any proven misconduct, whistleblowers are provided with various means for reporting concerns. For example, we have put in place a publicly accessible whistleblowing system in the Compliance section of our Company website. All stakeholders of the Company can use this whistleblowing system at any time to report, anonymously if they so wish, suspected compliance violations and to request that corrective action be taken. Actual or suspected violations can also be reported by email, post, or fax. Again, the relevant contact details are published on our Company website. Employees also have the option of contacting their line manager or the Compliance Officer directly. They can also do this in cases of doubt or if they have questions about how to apply the principles of our human rights code in practice.

Every report of a suspected violation is documented in a uniform way and treated in accordance with the groupwide compliance policy in order to ensure fairness and transparency. This includes upholding the proportionality principle with regard to the individuals affected and protecting the whistleblower by maintaining strict secrecy and confidentiality.

If suspected violations are subsequently confirmed and/or the provisions of this declaration are breached, we will take proportionate and appropriate action against the relevant employees or business partners. If a violation can be traced back to an employee or employees of the DEUTZ Group, measures under employment law and/or disciplinary action will be taken in accordance with internal policies. In the event of violations on the part of one of our suppliers or other business partners, sanctions will be imposed, which may include the business relationship being suspended while efforts are made to minimize the risk. The relationship may even be terminated in the event of severe breaches.

## **4. Responsibilities and management**

To be able to fulfill our duty of care, we need clear responsibilities and for the topic to be anchored at senior management level. Respect for human rights is an integral part of our sustainability strategy, the implementation and ongoing development of which is the responsibility of the Chief Executive Officer.

The DEUTZ AG Board of Management also informs the Supervisory Board, as the body that monitors its activities, about all matters related to human rights on an ad hoc basis, but at least once a year.

At operational level, an interdisciplinary team ensures that we uphold our duty of care regarding human rights. It is tasked with developing and implementing measures aimed at avoiding or minimizing human rights risks and putting a stop to any violations of human rights obligations.

Every DEUTZ employee bears individual responsibility for ensuring, in their day-to-day work, that their professional conduct is compliant with the principles set forth in this human rights code. Every manager is required to train their staff in the content and importance of this code and to help them to apply it in their daily activities.

## **5. Reporting cycle, further development, and outlook**

We will regularly analyze the risks to ensure that we are taking appropriate and effective action to fulfill our duty of care regarding human rights. The objective is to ensure that suitable preventive measures are in place in our own business and in that of our indirect supply chain and to develop and initiate remedial action as appropriate.

We firmly believe that transparency for our stakeholders is essential for cooperation based on mutual trust and for the long-term success of our Company. From 2023, we will therefore publish, at least once a year, a declaration of principles regarding our human rights strategy and make this publicly accessible on our website. This will disclose the high-priority human rights risks and environmental risks that we have identified and, building on this, will set forth in greater detail what we expect from our employees and suppliers. It will also be used to describe how we are fulfilling our duty of care.

The further development of our human rights activities should be understood as an ongoing process. Organizational, legal, and societal factors are constantly changing, as is the risk situation for our business and for our indirect supply chain. We will therefore regularly review our human rights activities to ensure that they remain relevant, appropriate, and effective. The outcome of these reviews will be used to update our declaration of principles on an ad hoc basis, but at least once a year.

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