

POLICY STATEMENT

On respecting and protecting human rights and the environment

We are committed to respecting internationally recognized human rights and environmental standards in our own activities and also to strengthening them in our relationships with business partners along the value chain. Herrenknecht AG's policy statement sets out how we fulfill this responsibility in cooperation with the relevant internal and external stakeholders.

Basic understanding and objectives

Herrenknecht AG is the world's leading premium supplier of mechanized tunnelling technology. Since it was founded more than 45 years ago, the responsible and ethically correct treatment of people and the environment has been one of the cornerstones of our culture as a family business. As a global brand, our actions have resonance and significance. This makes it all the more important to uphold our values and live them together with customers, employees and the Herrenknecht AG companies.

We are therefore committed to upholding and protecting generally recognized human rights and environmental standards. We align our actions accordingly and expect our partners and suppliers to live and implement comparable values.

Compliance with local regulatory requirements in the areas of labor law and protection as well as environmental law is an essential prerequisite in our own area of business. Furthermore, we guarantee our employees the following fundamental rights:

- Prohibition of discrimination,
- Respect for the principle of equal opportunities and equal treatment,
- Free choice of employment (no forced labor),
- Prohibition of child labor,
- Appropriate remuneration,
- Freedom of collective bargaining and association,
- Safe and healthy workplace

Our QHSE company policy and the associated certifications such as ISO 14001 (environmental protection) and ISO 45001 are therefore an important part of identifying, eliminating or minimizing site-specific risks.

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II. Responsibilities for human rights and environmental due diligence

Overall responsibility for respecting and upholding human rights and environmental obligations lies with the Herrenknecht AG Board of Management. The monitoring and oversight of human rights-related activities is ensured in close coordination between the Sustainability, Environment and Energy, Occupational Health and Safety, Compliance, Risk Management as well as the Purchasing, Human Resources and Legal departments.

The implementation of this policy statement is steered by the Board of Management, the heads of the Business Units and Business Areas and the heads of the branches and subsidiaries. This ensures that every area of our company is clear about its own responsibility for respecting human rights and putting this into practice on a daily basis.

III. Risk management system

Herrenknecht AG operates a global network of production centers and sales and service companies at 70 locations. Local risk analyses are managed from the Group's headquarters in Schwanau and carried out together with the subsidiaries. Corresponding guidelines are communicated to the subsidiaries. The risks to human rights and the environment can vary depending on where our subsidiaries operate and what business activities they are involved in.

With the help of regular, multi-stage risk analysis, we examine and evaluate the potential impact of our business activities, including our supply chain, on people and the environment and consider this in our decision-making processes. This also includes ad hoc risk analyses in the event of significant changes to the risk situation, such as the expansion of business areas, as well as when breaches of duty by indirect suppliers become known.

The assessment of risks in our supply chains is carried out in a continuous process with the following steps:

1. We start with a general risk analysis based on our procurement structure, taking into account industry and country risks.
2. Based on this analysis, we evaluate and prioritize our suppliers in regions and industries with higher risks of violating human rights and environmental standards. For such suppliers, we identify specific information based on our experience (e.g. existing audits) with the supplier, general sources and databases as well as supplier information with regard to their handling of human rights and environmental standards.
3. The risks identified are weighted and prioritized based on their expected severity, the probability of occurrence and the reversibility of the violation. In doing so, we examine our contribution to the cause and our ability to exert influence in order to take appropriate measures.

The results of the risk analysis are incorporated into our business decision-making processes.

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IV. Implementation of preventive and remedial measures

The Herrenknecht AG Code of Conduct and our QHSE company policy define our fundamental rules of conduct in the areas of human rights and the environment. These documents reflect the expectations of our conduct in our daily business dealings. In our own areas of business, further guidelines and instructions specify our expectations through concrete requirements, compliance with which is regularly monitored.

Not only do we respect human rights and environmental standards in our own areas of business, but we also work to ensure compliance in our global supply chains. Thus we expect our suppliers to also comply with our fundamental rules of conduct and to require similar rules of conduct from their own suppliers. Depending on the results of the risk analysis, our contracts with the respective suppliers contain special obligations to prevent or minimize the risk of human rights or environmental violations. In particular where we contribute to the realization of risks, we strive to minimize them within our sphere of influence.

If we identify specific suspected cases of violations of human rights or environmental regulations, for example through audits or complaints, we investigate these thoroughly and take the necessary measures. Where appropriate, this is done in cooperation with the suppliers concerned in order to prevent such violations and, in the case of proven, serious and irrefutable violations, to put an end to them.

V. Complaints body

Potential violations of human rights and environmental concerns can be reported via our complaints procedure ([Herrenknecht AG Reporting Channel](#)). This whistleblower system enables both our employees and third parties to report anonymous information and suspicions in our own areas of business as well as in other areas.

Reports on possible human rights or environmental issues that reach us by means other than the whistleblower system are also processed with the utmost due diligence.

VI. Documentation and reporting

The documentation and reporting of the measures taken to avoid and minimize violations of human rights and environmental standards are carried out in accordance with statutory requirements.

We are committed to the continuous development of our human rights and environmental due diligence processes. To this end, in the course of our ongoing activities we will review and optimize the implementation of the principles in this policy statement on a regular and ad hoc basis.

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We are firmly convinced that exemplary management can only be based on respect for people and the environment.

Resolved by the Herrenknecht AG Board of Management, April 2024



Dr.-Ing. E.h. Martin Herrenknecht
Chairman of the Board of Management



Michael Sprang
Vice Chairman of the Board of Management, CFO



Ulrich Schaffhauser
Member of the Board Management



Martin-Devid Herrenknecht
Member of the Board Management