

# KNORR-BREMSE HUMAN RIGHTS POLICY



**KNORR-BREMSE**

## Our Core Messages on Human Rights

### **Our expectations: What everyone at Knorr-Bremse should know and do**

To protect human rights means to protect people from harm. We all want to be safe and have a role to play in keeping others safe. This includes not only our own employees but also contractors, supply chain workers, customers and society at large.

- We all have an intuition about what is right and what is wrong. Trust it, and act on it. Whenever you feel that something is going the wrong way, speak up and get help.
- Contact your supervisor, local HR or local Compliance Officer. In addition, you can use Knorr-Bremse's SpeakUp Tool.
- You will never be punished for speaking up. It's better to act when in doubt.

### **Always be alert**

People can be harmed everywhere in our operations, in all countries and contexts. Please be aware wherever you are.

### **Don't do harm**

Always consider if Knorr-Bremse's activities (including your own), products and services may do harm to people and how it could be avoided. Do not follow harmful instructions.

### **Inform others**

Colleagues, supply chain workers or people outside Knorr-Bremse may not be aware that they have certain rights or how to raise concerns. Share your knowledge and point them to Knorr-Bremse's compliance organisation, our ombudsperson or the Speak Up Tool, if appropriate.

### **Speak up**

Please speak up when you observe something that does not feel right or is causing harm (to yourself or a colleague). Reach out through our compliance organisation, the responsible HR department or your Worker's Council. There will be no retaliation against employees who speak up in good faith.

### **Whom to contact**

Knorr-Bremse has the following points of contact for dealing with questions and concerns relating to human rights.

- Line Manager
- Local HR responsible and/or Corporate HR
- Local Compliance Officer and/or Corporate Compliance
- Local HSE Manager
- Knorr-Bremse's Speak-up tool: <https://knorr-bremse.integrityplatform.org/>
- Incident Notification and Alarming Service (INAS)
- Email Konzernsicherheit/Corporate Security: [corporate.security@knorr-bremse.com](mailto:corporate.security@knorr-bremse.com).

## I. Introduction

Knorr-Bremse respects and supports internationally recognised human rights wherever we operate. Our commitment is based on the [International Bill of Human Rights](#), the [UN Guiding Principles on Business and Human Rights](#) (UNGPs), the [Ten Principles](#) of the UN Global Compact, the [ILO Declaration on Fundamental Principles and Rights at Work](#) and its Follow-up, the [OECD Guidelines for Multinational Enterprises](#) the OECD Due Diligence Guidance and the German Supply Chain Due Diligence Act.

Legal compliance in all countries of operation is a fundamental principle for Knorr-Bremse. Where this policy goes further than local laws, we will operate to our policy. Where conflicts arise between our policy and local laws, we will follow the law while acting as far as possible in accordance with the spirit of our policy. If Knorr-Bremse finds that it has caused or contributed to negative human rights impacts we will actively engage in remediation with the affected parties in order to terminate such conditions. Depending on the breach different mechanisms will be set in place to minimize and avoid future risks. We will be assessing our remediation measures regularly to ensure their efficiency and success.

This Human Rights Policy brings together and complements human rights aspects from other Knorr-Bremse policies and guidelines, including:

- Code of Conduct
- Supplier Code of Conduct
- Corporate Responsibility Policy
- Health, Safety and Environmental Policy
- Conflict Minerals Policy
- Global Guideline Corporate Security
- Anti-corruption guideline
- Local HR guidelines

## Scope

This policy applies to all companies that are directly or indirectly owned and/or controlled by Knorr-Bremse AG. Where Knorr-Bremse holds a minority interest, we will use our leverage to ensure the same or similar standards are upheld.

In line with our own commitment, we expect our business partners and Tier1 suppliers, including contractors, to respect human rights and conduct human rights due diligence. We will support them in their efforts where possible and relevant.

## II. Our commitment to Human Rights

We respect and protect the rights and dignity of everyone who works for us, either directly or indirectly, permanently or temporarily. We also recognise that we can have impacts on broader society through our activities and products. Therefore, the following section outlines how we protect the rights of people (1) in our own operations and (2) with our partners and in the broader society.

By taking responsibility to respect human rights wherever we are active we contribute to achieve our targets relating to the UN Sustainable Development Goals.

## 1. Own operations (Permanent and temporary employees)

- We are committed to **reasonable working times** in order to ensure sufficient time for rest and recovery. Working time must not exceed the maximum set by local law. In any event, a typical working week should not exceed 48 hours and in exceptional weeks, working and overtime together should not exceed 60 hours. Overtime will be compensated in accordance with local laws.

**Example:** If your manager asks you to work more than maximum working hours mentioned above, you have the right to refuse. When you begin your employment with Knorr-Bremse you have the right to have your working times specified explicitly in your contract or respective documentation. If you encounter disagreements regarding your working time with your supervisor, you may approach your local HR department for support.

- We provide **wages and benefits** in line with local laws and industry standards and strive to pay an appropriate wage above national minimum wage.

**Example:** As an employee at Knorr-Bremse, your wages and benefits are specified and documented at the beginning of your employment. Any deductions from your wages need a proper legal basis; that means your supervisor cannot change them at will or threaten to do so. If you encounter a breach concerning the above mentioned standards, please get in touch with your local HR department.

- We are committed to effective **workplace health and safety**, and are make ongoing efforts to improve it where possible, ensuring our employees have a safe working environment. We are committed to taking the best possible measures to prevent accidents and occupational illnesses. We comply with minimum legal requirements and strive to go beyond those, when local laws do not guarantee sufficient protection. Our managers are obliged to train employees and provide the necessary oversight to ensure compliance with health and safety standards.

**Example:** You have the right to claim appropriate protective equipment at work and to refuse to perform activities that are not sufficiently safe. You have a duty to inform your supervisor or local Health and Safety Manager, if you discover an unsafe area at your working site, at a supplier site or a customer side. This duty also applies to dangers that might affect people who are not employed by Knorr-Bremse, such as agency workers, supplier staff, customers or visitors.

- We do not accept any form of **forced or compulsory labour, modern slavery or human trafficking** at any of our global sites. Practices such as forced overtime, retention of identity documents and debt bondage could constitute modern forms of slavery and are therefore prohibited. We commit to the ethical recruitment of workers, especially high-risk groups like migrant workers. Employees at Knorr-Bremse are free to terminate their employment upon reasonable notice.

**Example:** We will never ask you to deposit your passport or other identity documents, or to work overtime under the threat of losing your job or cutting your regular pay. If you experience such practices or observe them happening to someone else during your work at Knorr-Bremse please report immediately to your local HR department and Knorr-Bremse's Integrity Line. In particular, keep an eye out for temporary employees and colleagues employed by labour agencies, as they can be at higher risk for such practices.



## KNORR-BREMSE HUMAN RIGHTS POLICY

- We will not use **child labour**. We comply with laws and international standards regarding minimum working age. We support the use of legitimate workplace apprenticeships, internships or other similar programs for youth aged 15-17 that comply with all relevant laws and regulations and where hazardous work is not involved.

**Example:** If you observe anything that does not feel right where young people are involved, contact your local HR or Knorr-Bremse's Integrity Line. This may include indirect signs indicating the presence of children (like toys or children's clothes), e.g. at Knorr-Bremse or supplier sites. Please note that child labour is a symptom of particular vulnerability of the children and families involved. If you ever have any suspicions regarding this topic, please exercise your reporting duty with particular sensitivity for this vulnerability. While Knorr-Bremse does not tolerate child labour of any kind, if child labour is uncovered, we are committed to find solutions which protect the people most at risk.

- Everyone who works for us must be treated with respect and dignity. We are committed to **equal opportunities and an inclusive environment** (gender, sexual orientation, heritage, ethnic or national origin or religion) for everyone who works for Knorr-Bremse or seeks to do so. This includes **equal pay for equal work**. Discrimination of any kind will not be tolerated, albeit, we acknowledge that the creation of a truly non-discriminatory environment is a continuous process. We commit to a culture of learning and to sensitive listening to different perspectives on what it means to work for Knorr-Bremse.

**Example:** If you are not allowed to work overtime or are denied a promotion or any other work-related decision based merely on the colour of your skin you may be experiencing a case of discrimination. Please do not keep quiet but notify a supervisor or a third party that you feel safe with to investigate the matter. If you see this happening to someone else, please encourage them to do the same.

- We do not tolerate **harassment** (physical or psychological), whatever form it take. This explicitly includes sexual harassment and bullying.

**Example:** We understand that aside from severe cases of harassment, there might be more subtle forms of behaviour that might contribute to an atmosphere of discomfort and in their sum amount to an harassing working culture. These may include the use of unsolicited nicknames by supervisors or colleagues, the use of racially-connnotated or gendered stereotypes or general microaggressions. Their triggering power may vary depending on the audience and the context and their vague nature might deter affected people from speaking up. We therefore explicitly encourage everyone who feels to be the target of any form of harassment to speak up and seek support if needed.

- We respect employees' **freedom of association, freedom of assembly and their right to collective bargaining**. In countries where the right to collective bargaining is for example restricted by law or where employees have not appointed representatives, we seek to establish alternative means of open dialogue between employees and management.

**Example:** As an employee of Knorr-Bremse you are free to discuss your labour rights with your colleagues to establish organized groups to petition for the improvement of your working conditions. Manager or supervisors are not allowed to punish these activities. If you find yourself intimidated for any of these activities, please contact Knorr-Bremse's Speak Up Tool, workers council or trade unions.



## KNORR-BREMSE HUMAN RIGHTS POLICY

- We guarantee and protect employees' **freedom of opinion** and their right to express that opinion.

**Example:** As a Knorr-Bremse employee, you are encouraged to share your thoughts and feedback with your colleagues and the general public in line with The Knorr-Bremse Communication Guideline. However, following our commitment to an inclusive work environment, you are not allowed to make offensive, defamatory, discriminatory or verbally harassing comments.

- We reject all forms of **corruption**, including blackmail and bribery. We understand that corruption increases the risk for human rights abuse. Our operational principles and guidelines for responsible behaviour are set out in our [Code of Conduct](#) and operationalised via our anti-corruption guideline. Our compliance organisation works to embed these principles and guidelines across the Knorr-Bremse Group.

**Example:** As an employee of Knorr-Bremse you are not allowed to offer money or other favours to public officials or potential customers to accelerate public approval processes or win contracts. Equally, you may not accept money or favours from any potential business partners. If you are ever in doubt about what to do regarding the payment or acceptance of money or other benefits, contact the Compliance department for support.

- We respect our **employees' privacy** and protect their personal information in accordance with applicable local laws.

**Example:** As an employee you are not required to share medical information with your supervisors. You have the right to refuse to provide the details of your condition when you take sick leave. If you feel you are being pressured to share private information about yourself at work, that does not feel appropriate, please get in touch with your local HR department or Knorr-Bremse's Human Rights Focal Point.

- Our **security management** focuses on ensuring the safeguarding of employees, business partners, customers and visitors while protecting the material and immaterial assets of Knorr-Bremse Group. We conduct our security risk management in accordance with applicable laws and good practice in all our markets. We are committed to continuously improving our approach to identifying and addressing security-related human rights risks. We will instruct all security personnel and services to not to use illegal or disproportionate means and tools, such as torture, and we will supervise them to ensure that they comply with our instructions and do not cause harm to the health and safety of others. We will not use security personnel or services to restrict the freedom of association.

**Example:** All security personnel employed by Knorr-Bremse or acting on behalf of Knorr-Bremse are required to treat everyone humanely and with respect for their dignity and privacy. They should take all reasonable steps to avoid the use of force, and under no circumstances are they allowed to engage in harassment, including sexual harassment. If you see something that does not feel right, please contact Corporate Compliance, our external ombudsperson or use the Speak-up tool to file a report or a complaint.

## 2. Our relationship with our partners and the broader society

The following commitments and expectations guide our relationships with our partners and society and outline how we seek to reduce negative impacts on people. Whenever possible we establish long-term relationships that enable us to work collaboratively towards positive impacts.

- We expect our **suppliers and sub-contractors of goods and services** services to respect human rights and to pass this expectation on to their suppliers and contractors by means of our Supplier Code of Conduct. Via our supply chain management, we seek to support them in improving their human rights due diligence processes where possible, for example, using supplier audits and evaluations and by integrating human rights risks in the supplier selection process.
- We also expect our **business partners in the downstream value chain** to respect human rights and conduct human rights due diligence. This is particularly the case where Knorr-Bremse employees conduct work at partners' or customers' sites.
- Protecting the health and safety of everyone who comes into contact with our products is a key objective for Knorr-Bremse. As such we have comprehensive management systems in place to maintain and continuously improve the **safety, quality and sustainability of our products and systems**. We seek to identify and reduce any potential impact that our products and services could have on health and on the environment. This starts with research and development and continuous through production, use by the customer and end user through disposal. When we incorporate new technologies into our products, we pay close attention to incorporating adequate privacy protection.
- We are committed to incorporating the due diligence requirements of the UN Guiding Principles on Business and Human Rights into our **strategic business decisions, mergers and acquisitions**. We strive to incorporate human rights considerations both during the due diligence process and in post-merger integration.
- We understand that our activities may impact the wellbeing of **communities** around our sites of operation. We monitor our emissions and other potential impacts on neighbouring communities such as the use of water and seek to actively engage with local stakeholders to identify mutually beneficial solutions.
- We recognise **climate change** and the resulting impacts on people and their rights as one of the most pressing challenges of our time. As an internationally operating industrial company, we are committed to taking responsibility for climate protection, as evidenced by our ambitious climate strategy.

## III. Human Rights Risk management system

### Roles and responsibilities

People and their rights can be impacted by any function and in any location of our business. Everyone at Knorr-Bremse has a role to play in integrating the commitments and requirements set out in this policy into their work and behaviour towards others.

We are striving to develop human rights awareness and responsibilities across all managers, employees and contractors of Knorr-Bremse Group worldwide. We acknowledge that human rights due diligence is a long-term process and we commit to a journey of continuous improvement.

Managing Directors are accountable for ensuring that this policy is adhered to within their countries of responsibility.

We have defined the roles and responsibilities for the implementation of this policy and assigned specific task to the corporate functions involved, such as purchasing, human resources, health & safety management. Our compliance organization has been tasked with the monitoring of the human rights risk management system.



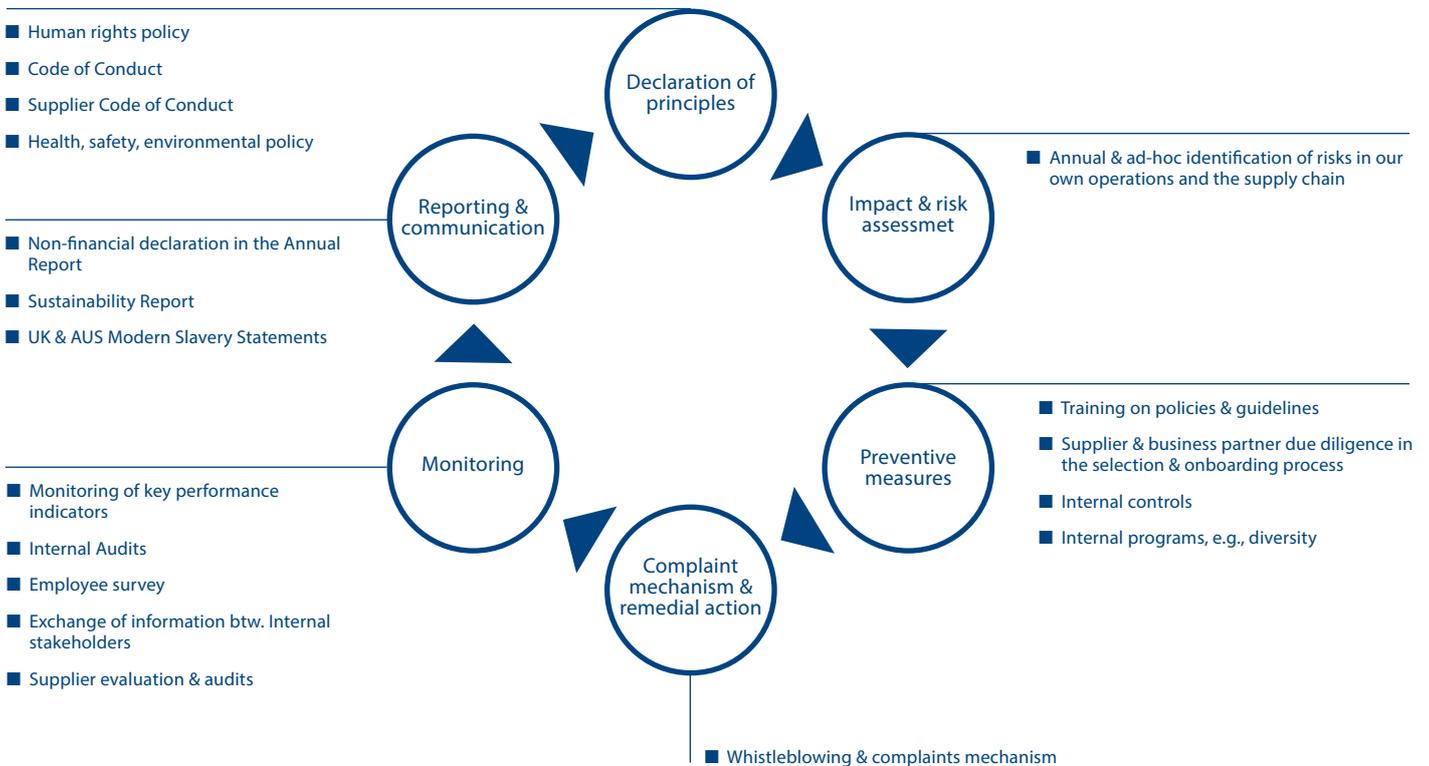
## Risks analysis and due diligence

In order to implement this policy, we have set up a human rights risk-management system.

We have carried out a human rights risk analysis with regard to our own operations as well as our supply chain and identified the human rights risks listed above as prioritised points of action. We will renew this risk analysis annually and ad-hoc if need be.

To prevent identified human rights risks we will establish and amended our processes, for example, our supplier code of conduct, the supplier due diligence process and supplier audits. We have established a grievance mechanism to allow our employees and external stakeholders to report risks and incidents, and we will actively engage with our suppliers to remedy identified risks. We are prepared to terminate business relationships where risks cannot be adequately mitigated by such engagement.

The following graph sets out the elements of our human rights due diligence process that help us prevent, mitigate and where necessary remediate negative impacts on people. They are described in more detail in our Corporate Responsibility Report and the non-financial declaration in our Annual Report.





## IV. Concerns and grievances

We encourage all employees who suspect any behaviour which is inconsistent with the commitments and requirements set out in this Policy to contact their line manager. If a conflict arises with your direct line manager, we recommend you contact a neutral third party such as the responsible HR department or the Works Council for support.

Knorr-Bremse's Works Council acts as a representative and agent for employees' labour rights and can be contacted in case of arising grievances.

Employees and all external stakeholders, for example, employees of our suppliers, can raise concerns securely and, if desired, anonymously via the following channels using the above contact details:

- Knorr-Bremse Speak Up Tool,
- Our external ombudsperson,
- Incident Notification and Alarming Service (INAS),
- The local/regional compliance officers,
- The local HR Department.

We will investigate reported cases and resolve reported issues if confirmed, in line with the requirements of the UN Guiding Principles on Business and Human Rights.

We will not tolerate any form of retaliation against employees who raise concerns or report misconduct in good faith.

We will work continuously to improve the effectiveness of our grievance management systems as per the requirements of the UN Guiding Principles on Business and Human Rights.

## V. Monitoring, reporting & evaluation

We document and monitor the implementation status of the risk management system and disclose dedicated performance indicators in our Annual Report in line with the mandatory reporting standards.

We will work continuously to improve the effectiveness of our due diligence processes as per the requirements of the UN Guiding Principles on Business and Human Rights. We will evaluate this policy and our processes at least once a year in the light of our risk assessment, whistleblowing reports and other information as the case might be.

Dr. Jürgen Steinberger  
(Chairman)

Andreas Wimmer

Wolfgang Krinner