



DUE DILIGENCE REPORT

Norwegian Transparency Act Report 2025

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1. Introduction

1.1 Message from our President and CEO Arild Gjerde

Kverneland Group's work on responsible business conduct is built on continuity, structured development, and transparency. The 2025 reporting year represents the next step in a multi-year journey to strengthen our environmental, social, and governance performance across our value chain and in relation to all key stakeholders: customers, distributors, suppliers, employees, authorities, and the communities in which we operate.

Following the implementation of the Norwegian Transparency Act, our approach has evolved year by year. While the 2024 report focused on due diligence processes applied to a selected number of suppliers, the scope was expanded in 2025 to include all suppliers connected to our European factories. This reflects a deliberate progression in our due diligence maturity and our recognition that a responsible and resilient supply chain is essential to sustainable business development.

As a fully owned subsidiary of Kubota Group, Kverneland Group is firmly anchored in Kubota's brand statement, "For Earth, For Life," and in Kubota's long-term commitment to ESG principles and the United Nations' Sustainable Development Goals. ESG is a strategic foundation for Kubota's management and, consequently, for Kverneland Group, supporting our long-term growth under GMB2030 and aligning with our vision of intelligent and efficient farming systems for sustainable agriculture.

Our work under the Transparency Act is closely aligned with the broader European regulatory landscape. Kverneland Group will continue to apply this framework together with other relevant EU regulations to strengthen supply-chain alignment with international ESG objectives. As part of Kubota Group, Kverneland Group will be included in Kubota's CSRD reporting, first issued in 2028 for the reporting year 2027, ensuring consistency between group-level and entity-level reporting.

In parallel, 2025 marked a key milestone in our regulatory preparedness, with dedicated focus on compliance with the EU Deforestation Regulation and CBAM. This work continues throughout 2026 with the objective of achieving full EUDR-compliance by year-end.

On behalf of Kverneland Group, I thank our partners and stakeholders for their continued cooperation and trust. Through structured, year-by-year progress, we are strengthening a foundation for long-term value creation with positive impact on people, society, and the environment.

Yours sincerely,
Arild Gjerde
President & CEO, Kverneland Group



1.2 About the report and Kverneland Group

The obligations under the Norwegian Transparency Act (Åpenhetsloven) (the “Transparency Act”) apply to the activities of Kverneland AS (“KvAS”) and Kverneland Group (“KvG”). Kverneland AS is the Holding Company that owns all entities within Kverneland Group. Since 2012, it has been a fully owned subsidiary of Kubota Group. Kverneland Group is one of the leading international companies for developing, producing and distributing agricultural machinery, most notably for tillage, sowing and spreading, as well as grass care equipment.

Kverneland Group operates within a global supply chain involving suppliers across multiple countries and sectors. This exposes the company to potential risks related to human rights and working conditions, particularly in regions with higher inherent risk or where supplier transparency is limited.

The management of Kverneland AS/Kverneland Group holds the ultimate responsibility for ensuring that our work under the Norwegian Transparency Act is carried out in accordance with legal requirements and the OECD Guidelines for Multinational Enterprises.

This report was prepared in accordance with the requirements of the Transparency Act and covers the period from 1 January 2025 to 31 December 2025. For information about our organisational structure and general supplier follow-up, please refer to our 2023 statement.

2. Policies and Governance of Kverneland Group

Kverneland Group’s approach to responsible business conduct is anchored in its Human Rights and Due Diligence policies. These policies define our expectations for suppliers with regard to labour conditions, human rights, and ethical business conduct, and are aligned with the OECD Guidelines for Multinational Enterprises.

Responsibility for implementation lies with Group management, supported by designated representatives at each production site who are responsible for supplier follow-up and risk assessment activities.

3. Due Diligence of Kverneland AS/Kverneland Group Suppliers

3.1 Background

In 2025, Kverneland Group transitioned from a pilot phase to a scaled implementation of due diligence processes across all European factories. This significantly expanded the scope of our risk assessments and enabled a more systematic and continuous approach to monitoring supplier-related risks.

All Kverneland Group factories have now been onboarded to Prewave, a supplier and risk management platform, enabling a more consistent and centralized approach to supply chain risk monitoring. This expansion marks a significant step toward embedding continuous due diligence into our operations. Prewave continues to provide automated monitoring of publicly available data sources, while also supporting structured supplier engagement through self-assessment questionnaires. This dual approach strengthens our ability to both identify and assess potential risks related to human rights and labour conditions in our supply chain.

Additionally, we have expanded our core due diligence working group and knowledge base internally. Each Kverneland Group factory has a minimum of one key contact who is trained in the risk assessment and supplier engagement tooling of Prewave. This adds another layer of continuous monitoring and supports a more transparent process.

Prewave forms one component of Kverneland Group's broader human rights due diligence framework and is used primarily as a tool for ongoing risk monitoring and data collection. In addition, due diligence is embedded within our procurement processes, where suppliers are assessed against our requirements, including adherence to our Supplier Code of Conduct and relevant human rights standards, prior to and during engagement.

3.2 Method

Our due diligence approach is based on a combination of continuous risk monitoring and direct supplier engagement. Suppliers are assessed based on country risk, sector exposure, and supplier-specific information, including responses to self-assessment questionnaires aligned with international labour standards. This approach enables us to identify, prioritise, and follow up on potential risks in a structured and risk-based manner.

As of 2025, Kverneland AS/Kverneland Group works with a significantly expanded supplier base within the Prewave platform. A total of 747 suppliers is now included in Prewave, reflecting a substantial increase compared to the previous year. This expansion enables broader visibility across our supply chain and supports a more comprehensive risk-based approach.

In parallel with continuous digital monitoring, we have continued our supplier engagement through the Labour & Human Rights self-assessment questionnaire. 583 of 747 suppliers in Prewave have been requested to complete the self-assessment, which asks questions specific to ILO standards. Of these 583 suppliers, 555 requests were sent since the start of 2025, while 28 were sent in 2024. This demonstrates a shift toward large-scale engagement rather than a limited, prioritised pilot group as previously established.

3.3 Preliminary findings – Self Assessment

Supplier engagement increased in 2025, with 131 responses received out of 583 requested self-assessments, corresponding to a response rate of approximately 22%. While this represents progress compared to previous efforts, it also indicates that a significant portion of the supplier base has not yet been covered through direct engagement.

The majority of responding suppliers did not report any significant risks. However, three suppliers identified potential human rights risks within their supply chains. These cases are currently subject to further assessment and follow-up as part of our risk identification process in order to determine if an actual risk exists. Management from each of the relevant entities has been notified of the potential risk and the supplier is being contacted directly.

It is important to note that the findings are based on self-assessment questionnaires, which inherently involve certain limitations. Responses are dependent on the supplier's own knowledge, internal processes, and level of maturity in working with human rights and labour conditions. In some regions, awareness and implementation of such standards may be less developed, which may affect both the quality and completeness of the information provided. As a result, the findings should be interpreted with caution. While no confirmed adverse impacts have been identified, the current level of engagement and the nature of self-reported data mean that not all potential risks may have been identified. This underscores the need for continued supplier engagement and further verification of reported information.

3.4 Risk Analysis

In 2025, Kverneland AS/Kverneland Group strengthened its due diligence approach by conducting a more comprehensive risk analysis based on data collected through the Prewave platform. This analysis builds on both automated and continuous monitoring and supplier self-assessments and provides a structured view of potential risks across the supplier base.

The methodology applied follows a risk-based approach, incorporating country risk, sector exposure, and supplier-specific indicators. The results are used to prioritise due diligence efforts in line with the OECD Guidelines for Responsible Business Conduct. The Overall Score (360° Risk Score) used by Prewave consolidates all available information, combining Peer Scores and Alert Scores. Additionally, if activated, the Self-Assessment Score and Scoring from external data sources can influence the 360° Risk Score. This score encompasses both abstract and concrete risks providing a comprehensive and dynamic assessment of a supplier's risk profile. It is a constantly changing value influenced by various factors, calculated through a non-linear and weighted algorithm.

The key factors included in the calculation are:

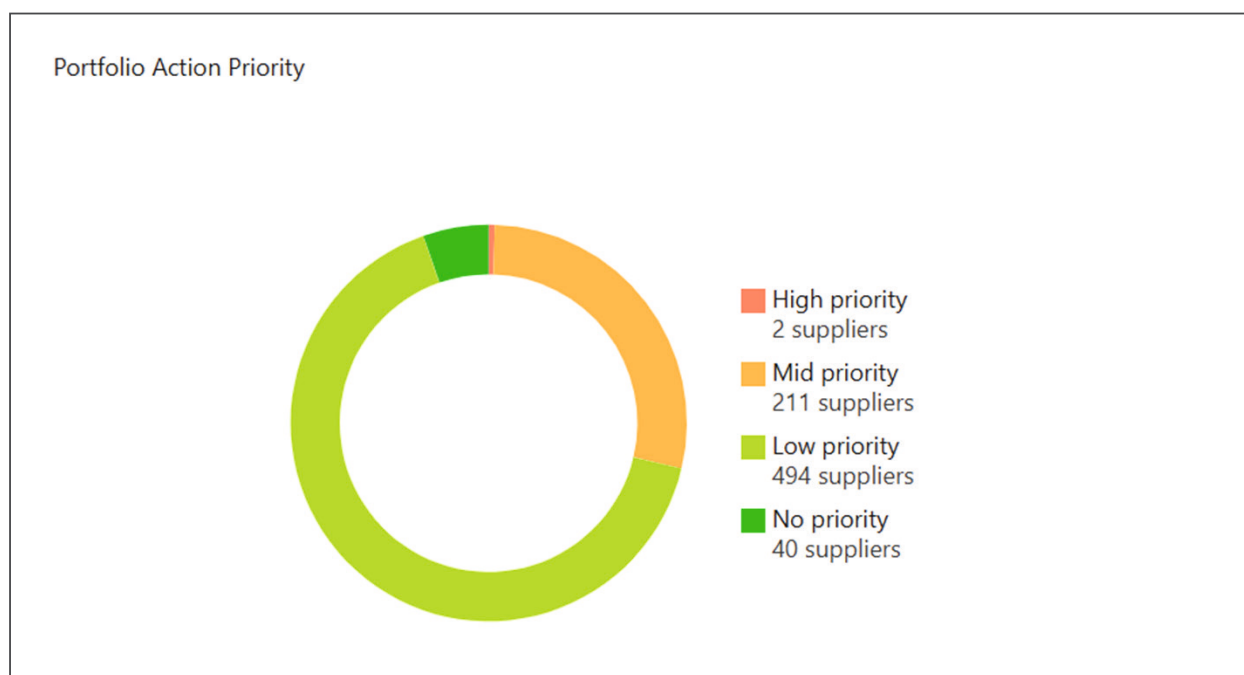
- **Public Media Appearance:** The frequency of news articles related to the supplier, measured by the number of articles created daily.
- **Timestamp:** The timing of the alert, considering how recent the event is.
- **Criticality:** The priority level assigned to the alert, reflecting its importance and potential impact.
- **Recurrence:** The frequency of similar events occurring in the past.

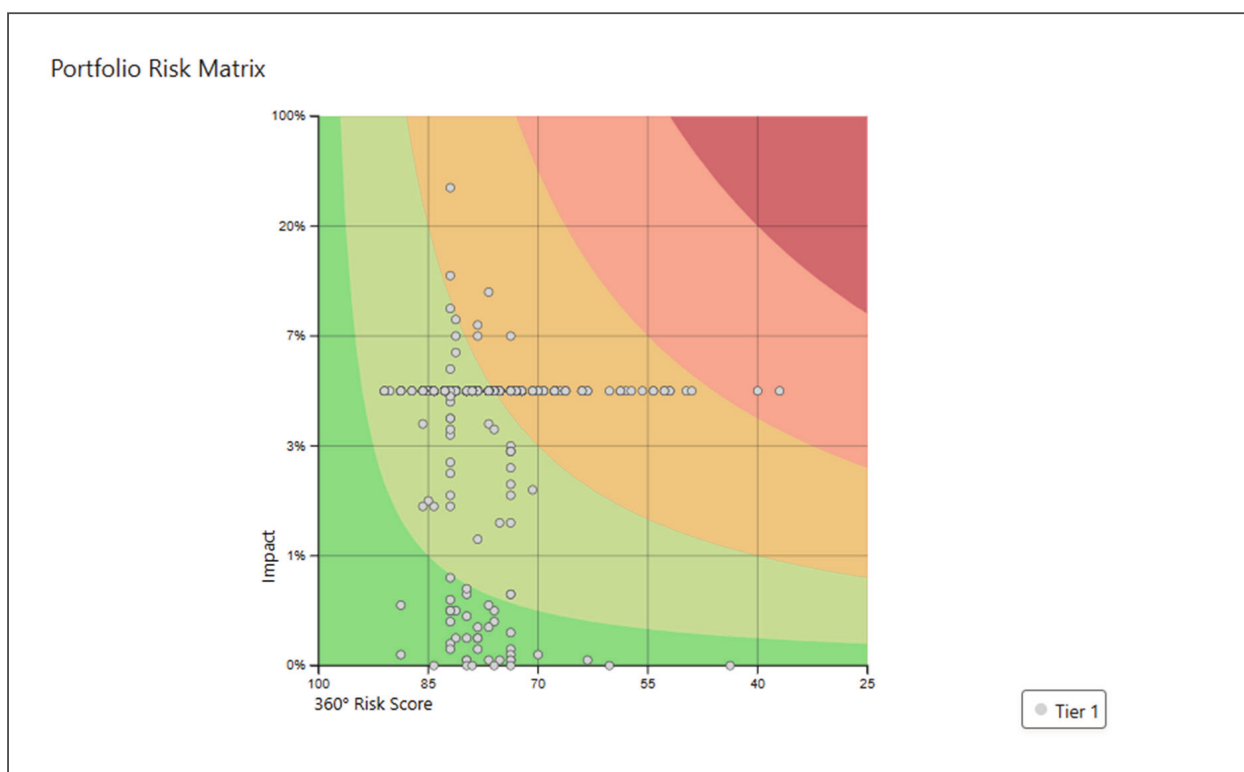
The scoring process is conducted within the specific group the event type belongs to. All event types within a group are calculated into the group score, and all group scores are aggregated into the overall score.

Risk distribution

Based on the analysis of 747 suppliers the below risk profiles were identified:

- High priority: 2 suppliers
- Medium priority: 211 suppliers
- Low priority: 494 suppliers
- No priority assigned: 40 suppliers





This distribution indicates that the majority of suppliers are considered low risk, reflecting relatively stable operating environments and lower exposure to high-risk sectors. However, a significant number of suppliers fall within the medium-risk category, highlighting areas where further transparency and verification are required.

A small number of suppliers are classified as high priority. These classifications do not indicate confirmed human rights violations but rather reflect elevated risk exposure and the need for enhanced due diligence. This elevated risk exposure is seen largely at a sectoral level for our suppliers. This exposure is primarily associated with suppliers operating in metals and mining-related industries (including steel, iron, and aluminium), industrial manufacturing, automotive components, chemicals and plastics and raw material processing.

These sectors are typically characterised by labour-intensive production processes, complex and multi-tiered supply chains, and, in some cases, upstream sourcing of raw materials from higher-risk regions. As a result, they are more commonly associated with potential risks such as inconsistent labour standards, health and safety challenges, and limited visibility into sub-supplier practices. These high priority suppliers are also larger in size which leaves them open to a higher likelihood for scrutiny.

Key findings

The analysis identified several key risk areas:

Lack of formal human rights policies: A number of medium and large suppliers reported that they do not have formal policies addressing human rights and working conditions. This limits transparency and increases uncertainty in risk assessments.

Limited audit activity: Many suppliers reported that their sites have not undergone audits, reducing the ability to verify compliance with labour and human rights standards.

Risk driven by external exposure: Most medium- and high-risk classifications are linked to geographic and sector-related factors rather than identified incidents. This indicates potential risk exposure that requires further investigation.

Interpretation and limitations

The results of this analysis should be interpreted in the context of data availability.

- Risk classifications reflect potential exposure, not confirmed non-compliance
- 30% of suppliers who were contacted completed the self-assessment, which, while positive, leaves room for increased engagement
- Publicly available data sources may underrepresent or over-represent issues in certain regions or sectors

As a result, the absence of identified risks should not be interpreted as an absence of actual risk.

Implications for due diligence

The findings indicate a need to shift focus from risk identification to risk verification and engagement. In particular, increased supplier transparency and improved data quality are necessary to strengthen the reliability of our assessments and ensure effective follow-up of identified risks

Key implications for Kverneland Group include:

- The need to increase supplier transparency, particularly in relation to human rights and working conditions
- A stronger focus on medium-priority suppliers, where risk exposure exists but data is availability can be improved
- Continued monitoring of all our suppliers with enhanced due diligence measures

4. Measures, Actions, and Continuous Improvement

4.1 Mitigation

While no confirmed adverse impacts requiring mitigation were identified in 2025, Kverneland Group has strengthened its capacity to identify and address risks through improved monitoring systems and increased supplier engagement. These measures enhance our ability to act promptly if risks are identified.

4.2 Remediation & compensation

Although no cases requiring remediation were identified in 2025, established procedures are in place to address potential adverse impacts. These include supplier dialogue, corrective action plans, and, where relevant, cooperation on remediation measures in line with international standards.

4.3 Looking forward

2025 represents a transition from pilot phase to scaled implementation of due diligence processes risk assessment. From a business perspective, the work to increase transparency across the entire supply chain is also valuable. Kverneland Group will further formalise its due diligence efforts by setting clear targets for supplier engagement and assessment.

Our objective is to ensure that all suppliers classified as high and medium priority are engaged and have completed the Labour & Human Rights self-assessment, providing sufficient data to enable a meaningful evaluation of their human rights and working conditions risks. Through this process, we aim

to develop a clear understanding of both direct supplier practices and, where feasible, upstream supply chain risks.

In addition, we will implement a process of annual reassessment of supplier risk. This will allow us to track changes over time, compare results year-on-year, and identify trends or emerging risks, ensuring that our due diligence approach remains dynamic and responsive. Suppliers identified as higher risk will continue to be prioritised for follow-up, with progress monitored against previous assessments to evaluate improvement or escalation where necessary.

Based on this analysis and our overall due diligence efforts, Kverneland AS/Kverneland Group will prioritise the actions as detailed below.

1. Increase completion rates of supplier self-assessments to address data gaps

Kverneland AS/Kverneland Group will continue to prioritise increasing supplier participation in the Labour & Human Rights self-assessment process. While engagement improved significantly in 2025, a substantial portion of suppliers has not yet completed the assessment, limiting overall visibility. Efforts will focus on earlier engagement in the procurement process, clearer communication of expectations, and structured follow-up with non-responsive suppliers to ensure more comprehensive data coverage.

2. Strengthening requirements for supplier human rights policies and documentation

Based on the findings from both the self-assessments and risk analysis, Kverneland AS/Kverneland Group will strengthen its expectations regarding supplier human rights policies. This includes requiring suppliers to establish and maintain formalised policies that adequately address key areas such as labour rights, working conditions, and grievance mechanisms. Additional guidance will be provided to support suppliers in aligning with internationally recognised standards and the requirements of the Norwegian Transparency Act.

3. Prioritise medium and high-risk suppliers for follow-up and engagement

Kverneland AS/Kverneland Group will adopt a more targeted approach to supplier engagement by prioritising those classified as medium and high risk. These suppliers will be subject to enhanced follow-up, including additional information requests and clarification of risk indicators. This approach ensures that due diligence efforts are focused where the potential risk exposure is highest.

4. Integrate risk analysis results more directly into procurement and supplier evaluation processes

To strengthen the link between due diligence and business decision-making, Kverneland AS/Kverneland Group will further integrate risk analysis outputs into procurement processes. This includes incorporating risk indicators into supplier selection, evaluation, and performance reviews, as well as equipping procurement teams with the tools and training needed to interpret and act on ESG-related data in their daily operations.

5. Continue improving data quality to enable more robust and reliable risk assessments over time

Recognising that data availability and quality remain key limitations, Kverneland AS/Kverneland Group will continue to enhance its data collection and validation processes. This includes improving the accuracy and completeness of supplier-provided information, leveraging digital tools such as Prewave more effectively, and establishing clearer internal processes for maintaining and reviewing risk data. Improved data quality will support more reliable and actionable risk assessments going forward.

6. Expand risk assessment and supplier engagement to all Kverneland AS/Kverneland Group warehouses and sales companies

In 2025, due diligence efforts were primarily focused on production-related suppliers. Going forward, Kverneland AS/Kverneland Group will expand the scope of its risk assessment and supplier engagement activities to include all warehouses and sales companies in Europe. This will ensure a more comprehensive group-wide approach to human rights due diligence and strengthen alignment with the requirements of the Norwegian Transparency Act across all operational areas.

Our long-term objective remains to fully integrate responsible sourcing into all procurement activities, ensuring that respect for human rights and decent working conditions is embedded throughout our supply chain.

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