

Principles of Supplier Conduct

Purpose and Scope

KION GROUP AG and its affiliates (hereinafter collectively referred to as “KION Group”) are committed to operating their business in an economically, socially and environmentally sustainable manner as this is not only essential to KION Group’s brands and reputation but also for the long-term overall success of KION Group and their business partners.

To ensure sustainable success, we source raw materials, goods and services from partners around the world. We pay particular attention to the value chain. KION Group pays strict attention to compliance with applicable laws and regulations.

The KION Group Code of Compliance is the basis for our corporate and social activities. Performance, personal responsibility, integrity, customer focus as well as respect for people and the environment are part of our core values and form the basis of these Principles of Supplier Conduct. The KION Group has clearly formulated its expectations of suppliers with these Principles of Supplier Conduct. These principles are based on internationally recognized and applicable standards in the areas of Human Rights, environmental protection, anti-corruption and anti-bribery, as well as other national and international laws and regulations.

The following Principles of Supplier Conduct outlines the standard with regards to business ethics, employment and labour practices, health and safety and environmental practices. The KION Group expects its Suppliers to comply with them.

Business Ethics

Law-abiding: As a matter of principle, our suppliers are required to comply with all applicable laws, rules and regulations of the respective countries in which they operate or are located in all business activities and decisions.

Acceptance of benefits: In dealing with business partners (customers, suppliers) and state institutions, the interests of the company and the private interests of employees on both sides are to be kept strictly separate. Actions and (purchasing) decisions are to be proceeded independent of considerations which do not concern the business at hand and which involve personal interests. Current anti-corruption criminal law is to be upheld. There will be no payments, services, gifts, entertainment or other advantages offered or given to any KION Group employee or third party which are intended to influence the way in which the KION Group employee or third party goes about his or her duties.

Fair competition: The supplier respects fair competition. Thus, the supplier adheres to existing laws that uphold and promote competition, in particular prevailing anti-trust laws as well as laws that regulate competition. In dealing with competitors, these provisions in particular prohibit collusion and other activities aimed at influencing prices or conditions, dividing up sales territories or customers or using prohibitive means to inhibit free and open competition.

Disclosure of information: All business processes must be transparent and correctly traceable in the supplier business records. Falsifying records and misrepresenting conditions and procedures in the supply chain are prohibited.

Data protection: Networking and digitalization play a decisive role for intralogistics. For many business models, the handling of data is the basis. Our claim is to handle data responsibly. We therefore expect our suppliers to process data in accordance with the applicable data protection regulations. In particular, this includes effective, transparent and adequately documented controls to protect data from KION Group companies against unwanted data use, modification or loss.

Export and import: The respective applicable laws and regulations in the areas of export and import control as well as customs must be complied with.

Employment and Labour Practices

Free choice of employment: The supplier rejects every form of forced or compulsory labour. Employees are free to commence their employment and, if necessary, to leave employment after reasonable notice.

Prohibition of child labour: The supplier respects the regulations of the United Nations on Human Rights and children's rights. In particular, the supplier commits to complying with the Convention concerning the minimum age for admission to employment (Convention No 138 of the International Labour Organisation) as well as the Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labour (Convention No 182 of the International Labour Organisation). If a national regulation concerning child labour provides for stricter measures, these shall have precedence.

Discrimination in the context of employment relationships: The supplier undertakes, within the framework of applicable laws and other regulations, to refrain from any form of discrimination and, if necessary, to combat it. This applies in particular to discrimination based on nationality, ethnic origin, religion, age, disability, skin color, sexual identity, political belief or gender. The supplier does not tolerate sexual harassment or physical or derogatory personal attacks.

Inhumane treatment and modern slavery: The supplier undertakes to respect the personal dignity of each individual and to comply with Human Rights and prevent any form of modern slavery. The supplier further undertakes to respect the right to freedom of expression and the protection of the personal rights and privacy of its employees.

Working hours, wages and benefits: The supplier shall comply with the applicable national legislation on working hours. In doing so, he acts in principle in accordance with the international standards of the ILO, unless there are stricter regulations at national level. Furthermore, the supplier undertakes to pay its employees remuneration that is at least in line with the respective applicable national laws and the legally valid minimum income and social benefits.

Freedom of association: The supplier respects its employees' right of association within the bounds of prevailing laws and statutes.

Health and Safety Practices

Principles: The supplier guarantees the health and safety of its workers in the workplace as required by the countries in which they are located or operate. In addition, the supplier will continuously development and improve its health and safety measures and systems. The supplier establishes a reporting system that workers can use to raise health and safety concerns without fear of discrimination or sanction

Emergency Preparedness: To ensure the safety of life and limb and minimize damage to the environment and property, the supplier shall implement an emergency preparedness system that identifies and assesses potential hot spots and includes emergency plans that incorporate notification systems and reporting chains and include evacuation measures. Trainings and drills shall be held in accordance with local regulations, but at least once a year.

Occupational accidents and diseases: The supplier shall ensure the prevention of occupational accidents and diseases through appropriate procedures. This includes the recording and classification of accidents and illnesses, the necessary medical care and the investigation of such incidents. Any causes shall be remedied, and the supplier shall ensure that workers are facilitated to return to work.

Industrial hygiene: When handling chemical, biological or physical agents, workers who come into contact with them must be given special protection. This requires appropriate control mechanisms that begin with the identification of possible hazards and ultimately lead to protective measures. Hazards must be minimized and protective devices installed. Regular training is also part of hazard prevention.

Physically demanding work: If workers are engaged in physically demanding activities, these must be recorded, classified and monitored.

Machine safeguarding: Production facilities and other machines must be checked with regard to safety risks and, if necessary, equipped with appropriate protective devices. The supplier undertakes to carry out regular checks and maintenance.

Sanitary facilities, catering and accommodation: Clean sanitary facilities, drinking water and facilities for the hygienic preparation, storage and consumption of meals shall be made available to workers at all times. Worker housing provided by the supplier or a labour broker shall be well-maintained, clean, safe, have adequate emergency exits, hot water for bathing or showering and adequate lighting, as well as heating and ventilation systems and individually secured space for storage of personal belongings, and provide adequate space. Access and egress authorizations must be regulated.

Health and safety messages: The supplier shall provide workers with appropriate information and training on all aspects of occupational health and safety in their native language or a language they can understand. Information on health and safety issues shall be clearly visible and accessible to workers. Training shall be provided to all workers before they start work and at regular intervals thereafter.

Environment

Principles: The supplier is committed to sustainably upholding the goal of environmental protection for current and future generations by managing responsibly solid waste, waste water, air emissions, and hazardous substances in particular. Laws passed for the protection of the environment are to be obeyed. The supplier is to support environmentally-minded actions on the part of its employees.

Manufacturing process: The KION Group expects her supplier to ensure that the entire manufacturing process of their products, from the extraction of raw materials to production and waste management, takes into account the relevant environmental standards and commits to the goal of sustainable business. Waste and emissions of any kind are to be avoided and reduced as far as possible. This includes systematic recycling. Furthermore, the supplier is expected to comply with the law as well as with the specifications given by the KION Group. This includes proper labeling requirements for recyclable products as well as disposal. The supplier shall ensure that all nationally applicable standards for water management are complied with. The supplier is also required to make greater use of renewable energies and to minimize the emission of greenhouse gases.

Responsible sourcing of minerals: Procurement of minerals from conflict-affected and high-risk areas, in particular tantalum, tin, tungsten and gold, shall be conducted in accordance with the Organization for Economic Co-operation and Development (OECD) guidelines or an equivalent and recognized due diligence framework.

Know how protection

The supplier commits its employees to safeguarding trade and company secrets. It is forbidden to divulge confidential information, as well as confidential documents, to third parties without proper authorisation or to provide other forms of access to them, unless proper authorisation has been granted or it has to do with publicly available information.

Management systems

Accountability and responsibility of the management: The supplier undertakes to introduce and operate management systems which are to be used to ensure the above requirements are met and which may be inspected by KION Group upon request.

This also includes measures for training and communication of managers and employees to ensure that they achieve an appropriate level of knowledge, awareness and skill to comply with the principles set out in this document.

The management system also includes a reporting system that enables employees and external parties to submit anonymous reports or complaints about grievances, in particular in connection with the Principles of Supplier Conduct described here. Care must be taken to ensure that the principles of confidentiality, the provisions of data protection and the applicable labour law are complied with and that those making the report are not disadvantaged in any way in connection with the report.

Risk assessment and risk management: The supplier shall implement a process to determine legal compliance in all relevant areas, including the assessment of risks.

Part of the contract and obligation of the supplier

The Principles of Supplier Conduct are part of the contract concluded with the KION Group. The supplier undertakes to comply with all the regulations contained in the Principles of Supplier Conduct. The KION Group reserves the right to take appropriate control measures, e.g. its own on-site inspections, audits by third parties or proof through certifications, and to demand improvements if necessary. The supplier has the obligation to document compliance with these Principles of Supplier Conduct. This data is confidential and subject to the provisions of data protection.

The supplier further undertakes to ensure compliance with these principles in its supply chain.

Consequences of non-compliance

In the event that the supplier violates one or more of these principles, this entitles the KION Group to terminate the contractual relationship.

Concluding Comments

Together with its suppliers, the KION Group works towards implementing and complying with these rules and continuously reviews and revises the relevant Principles of Supplier Conduct. KION Group reserves the right to modify and amend the Principles of Supplier Conduct from time to time at their sole discretion.

Anke Groth

(Chief Financial Officer and Labour Director)

signed 3 January 2022

Dr. Henry Puhl

(Chief Technology Officer)

signed 3 January 2022

(Signature)

(Signature)