

International minimum employment standards in the KION Group

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Coverage: KION Group

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**Department / Corporate:
Function** KION Corporate HR

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1 General

1.1 Purpose

KION employs people in many different countries around the world. Their employment conditions vary significantly because legal, social, commercial, and cultural standards are very different from region to region.

Regional differences are valuable and have to be taken into account. Nonetheless, KION is committed to applying the mandatory minimum standards in view of its responsibility for the welfare of all of its employees.

This policy sets out KION's minimum standards and defines the responsibilities for implementing and monitoring them. The policy does not place any restriction on standards that stipulate a higher level of protection.

1.2 Scope

All employees of the KION Group including executives, members of the Executive Board as well as members of management boards of Group companies.

KION Group ("KION") comprises all companies whose majority of shares are directly or indirectly held by KION GROUP AG or are under direct or indirect control of it.

1.3 Conflicting rules

These principles constitute minimum standards that must be applied unless local laws explicitly stipulate otherwise. Stricter requirements – as defined by law, in binding individual or collective agreements, or in company policies – take precedence.

2 Responsibilities

All employees, in particular members of management boards of Group companies and supervisors, must apply the below mentioned principles in their actions and decisions within their sphere of responsibility.

The management boards of the group companies must check at regular intervals whether the principles are being applied and, if necessary, must introduce lasting measures in their organization to ensure their implementation. OU management boards and regional management boards must follow up these measures in an appropriate manner.

3 Human Rights Positioning

KION considers human rights to be a general minimum standard that must be respected in all cases, including in employment relationships. The benchmark is their definition in the United Nations Guiding Principles on Business and Human Rights, i.e. in the "Universal Declaration of Human Rights", codified by the signatory states in the "International Covenant on Civil and Political Rights" (CCPR) and the "International Covenant on Economic, Social and Cultural Rights" (CESCR), as well as the employment-related principles and rights laid down in the eight fundamental labor conventions of the International Labor Organization (ILO).

4 Principles

4.1 Standards in accordance with the ILO fundamental labor conventions

The International Labour Organization, a specialized agency of the United Nations, is responsible for formulating and enforcing international labor and social standards. The ILO issues international conventions that come into force upon ratification by each country. The ILO's Governing Body has identified eight conventions as 'Fundamental Conventions' that cover subjects that are considered fundamental principles and rights at work and are set out in the ILO's Declaration on Fundamental Principles and Rights at Work (1998):

- freedom of association and the effective recognition of the right to collective bargaining¹,
- the elimination of all forms of forced or compulsory labor²,
- the effective abolition of child labor³,
- the elimination of discrimination in respect of employment and occupation.⁴

Most – but not all – of the countries in which KION employs people have ratified the fundamental labor conventions. The conventions themselves only place an obligation on the countries ratifying them to protect their citizens and not on companies. Nevertheless, KION is committed to applying the principles of the conventions in how it treats its employees. In particular, this means:

(a) No forced or compulsory labor

No work or service must be exacted under the menace of any penalty and for which the said person has not offered himself or herself voluntarily. Employees' passports shall not be retained for purposes other than identity or security checks.

¹ ILO Conventions 87 and 98

² ILO Conventions 29 and 105

³ ILO Conventions 138 and 182

⁴ ILO Conventions 100 and 111

(b) No child labor

Persons below the minimum age defined in the ILO convention 138 must not be employed. Before completion of compulsory schooling, children shall not be employed in a way or to an extent such as to prejudice their attendance at school or their capacity to benefit from the instruction received. The minimum age for undertaking work shall be 15, even if the aforesaid criteria are fulfilled (absolute minimum age).

Persons under 18 years of age must not undertake any type of employment or work that, by its nature or the circumstances in which it is carried out, is likely to jeopardize their health, safety, or morals.

(c) No discrimination

No distinction, exclusion, or preference made on the basis of race, color, gender, religion, political opinion, national extraction, or social origin affecting access to vocational training, employment, and particular occupations or to terms and conditions of employment is accepted. Any distinction, exclusion, or preference in respect of a particular job based on the inherent requirements thereof shall remain unaffected.

(d) No obstruction of the right to organize and to collective bargaining

No apprentice or employee shall be prejudiced by reason of establishing or joining an organization for furthering and defending the interests of workers.

Employment and access to particular terms and conditions of employment must not be subject to the condition that they shall not join a union, shall relinquish trade union membership, or shall not participate in union activities outside working hours.

4.2 No human trafficking

The principles for preventing any form of forced labor set forth in Section 4.1 (a) also include the prohibition of inducing or facilitating travel for the purpose of exploiting the individual.

4.3 No harassment

The principles for the prevention of discrimination referred to in Section 4.1 (c) also include the prohibition of systematic harassment or victimization related to a personal characteristic referred to therein with the purpose or effect of violating the dignity of the person concerned and creating an environment characterized by intimidation, hostility, degradation, humiliation, or insult.

4.4 Protection of minorities

In order to ensure the principles mentioned in Section 4.1 (c) for the prevention of discrimination, special attention must be paid to the respective regional minorities (e.g. indigenous people, migrant workers and religious minorities), as well as to the protection of female employees.

4.5 No age-related discrimination

The principles mentioned in Section 4.1 (c) apply as well for discrimination based on age with differences of treatment not being objectively and reasonably justified by a legitimate aim or the means of achieving the aim not being appropriate and necessary.

4.6 Healthy and safe working conditions

KION is committed to ensuring health and safety standards in the workplace. The relevant rules are set forth in a separate policy.

4.7 Appropriate remuneration

KION is committed to a remuneration which is appropriate to national industry sector standards and by all means securing a subsistence level of income ('living wage'). Minimum wage limits that are set by national legislation or applicable collective agreements are not undercut.

The principle of equal remuneration for work of equal value applies, irrespective of gender. Where rates of remuneration are not determined by law or collective agreements, the value of the work performed must, as far as possible, be determined by objective appraisal of that work.

5 Enforcement and Implementation

5.1 Risk assessment

The OU management boards assess risk areas of possible non-compliance with the minimum employment standards on the basis of business, regional, function and person group-related risk probabilities, as well as on the basis of the severity of the effects of possible violations for the affected employees.

5.2 Prevention, Mitigation and Remediation

In addition, the OU management boards are responsible to set up annual systematized process that ensures the compliance with the minimum employment standards in their area of responsibility (currently, for example, by reviewing indicators that are part of the annual *WeSustain* survey covering all Group companies). Findings from this process, as well as from reports and audits pursuant to

section 6, are to be used for the introduction of suitable preventive measures (e.g. training and checks); violations are to be eliminated and sanctioned in a suitable form.

6 Reports and Monitoring

All employees are requested to proactively notify their line manager of any need for improvement and make suggestions for improvement.

Any employee may report breaches of the aforementioned principles directly to the board of management of his or her group company, regional management team or, if applicable, elected employee representative. The boards of management and regional management teams are obliged to examine any justified reports of breaches and then rectify them.

In addition, all employees can report such breaches – anonymously if they prefer – using various channels provided in the Group for reporting compliance breaches (such as KION Whistleblower hotline, direct email contact to KION Corporate Compliance, etc.). The Compliance Committee will examine and follow up on all incoming reports in accordance with the principles applicable to reports of compliance breaches.

In addition, compliance with the minimum employment standards is part of the audits conducted by KION Internal Audit at companies that may be affected by risk focal points pursuant to Section 5.

OU management boards establish appropriate monitoring processes and provide yearly reporting to the KION Executive Board about the status of compliance and progress with the regard to the minimum employment standards within their OU's.

7 Contact Person

VP Labour Law (KION Corporate HR)

8 Change History

Version	Revision Date	Name	Changes/Comments
1.0	15.04.2022	Holger Frieges	Update of International minimum employment standards in the KION Group (K-Int-HR 1/2014, Version 01, April 2, 2014), adjustments on content and terminology
2.0			
3.0			