

# International minimum employment standards in the KION Group

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## Contents

1. Scope of application:  
Consolidated KION Group companies worldwide ("KION")
2. People:  
All employees and members of boards of management

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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.

As a group of companies that operates globally, KION wants to – and must – take account of regional differences. However, 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. Minimum employment standards in accordance with the ILO fundamental labor conventions**

KION ensures that employment standards are upheld in accordance with the ILO fundamental labor conventions.

The International Labour Organization (ILO), 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 bargaining<sup>i</sup>,
- the elimination of all forms of forced or compulsory labor<sup>ii</sup>,
- the effective abolition of child labor<sup>iii</sup>
- the elimination of discrimination in respect of employment and occupation.<sup>iv</sup>

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:

### **1.1 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.

### **1.2 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.

### **1.3 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.

### **1.4 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.

## **2. 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.

## **3. 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. 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.

## **4. Local implementation / definition of details / responsibility**

All employees, in particular members of management boards, must apply the aforementioned principles in their actions and decisions within their sphere of responsibility.

The boards of management 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. People with responsibilities at brand or regional level must follow up these measures in an appropriate manner.

## **5. 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/regional management teams are obliged to examine any justified reports of breaches and then rectify them.

In addition, all employees are entitled to report such breaches – anonymously if they prefer – using the channels available in the group for reporting compliance breaches (compliance hotline, direct email contact to the Compliance Committee, etc.). The Compliance Committee will examine and follow up on all incoming reports in accordance with the principles applicable to reports of compliance breaches.

## **6. Conflicting rules**

The aforementioned 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.

## **7. Period of validity**

This policy comes into effect on May 1, 2014. Changes may be made without notice.

Wiesbaden, April 2, 2014

KION GROUP AG

Riske

Dr. Toepfer

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i ILO Conventions 87 and 98

ii ILO Conventions 29 and 105

iii ILO Conventions 138 and 182

iv ILO Conventions 100 and 111