

## Statement on the KION Group's human rights strategy

### Human rights positioning of the KION Group

The KION Group employs people in many countries around the world and works with suppliers who are themselves spread around the globe. The employment conditions of both Group employees and suppliers differ significantly because legal, social, economic and cultural standards vary widely from region to region. Regional diversity is valuable and must be taken into account. However, the KION Group is committed to upholding minimum standards as an expression of the company's social responsibility towards all its employees, and has already given expression to this through the International Minimum Employment Standards in 2014. As part of its procurement decisions, the KION Group also takes into account compliance with minimum standards by its suppliers.

The KION Group considers human rights to be a general minimum standard. The benchmark is their definition 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 set out in the eight core labor standards of the International Labor Organization (ILO).<sup>1</sup>

The KION Group applies the objectives of the aforementioned standards as an absolute minimum standard for its own corporate actions. This also applies in those countries that have not recognized or ratified the aforementioned principles of international law. The KION Group expects the same from companies in its external supply chain.

### Human rights and environmental risk exposure of the KION Group

The KION Group is a global company with production, sales and/or service sites in over 100 countries around the world. As a result, the KION Group is exposed to risks arising from different standards relating to human rights and different environmental standards. In particular, these are risks relating to

- Child labor
- Forced labor
- Freedom of association and the right to collective bargaining
- Equal pay
- Discrimination in employment and occupation
- Use of mercury in products and distribution of such products
- Use of persistent organic pollutants and distribution of such products
- Transboundary movement and disposal of hazardous waste.

We have set out our expectations regarding compliance with these standards in guidelines and standards such as the KION Group Code of Compliance ([We have corporate social responsibility | KION GROUP AG](#)), the KION Group's International Minimum Employment Standards ([KION-Employment-Standards-EN.pdf \(kiongroup.com\)](#)) and the Principles of Supplier Conduct ([Principles of Supplier Conduct EN.pdf \(kiongroup.com\)](#)).

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<sup>1</sup> These include the prohibition of child labor and forced labor, the elimination of discrimination in employment, as well as freedom of association and the right to collective bargaining.

Part of the KION Group's strategy and one of our core areas of action is the provision of digital solutions and processes. This involves the processing of a large amount of personal data, which entails the risk of violating (human) rights. For this reason, in addition to the KION Group of Compliance, the KION Group has issued data protection regulations that apply globally and ensure the high standard of the European General Data Protection Regulation worldwide.

For the KION Group, environmental responsibility encompasses two factors in particular: firstly, the environmental impact of its own actions should be minimized as far as possible. Secondly, the KION Group's products and solutions should enable customers to save energy, reduce emissions and leverage potential for greater efficiency and performance. Our efforts to comply with all laws, norms and standards that are relevant to the Group in the context of its global operations have been summarized in a Health-Safety-Environment Standard, which addresses environmental as well as health and social requirements. Details can be found in our sustainability report ([We are moved by sustainability | KION GROUP AG](#)).

## **Goal**

KION pursues the goal of identifying, minimizing or ending risks, which can arise from the violation of human rights and regulations for the protection of the environment, by establishing responsibilities and processes.

## **Responsibility and accountability**

Every employee is responsible for complying with internal and external Group regulations. In addition:

The Executive Board of KION GROUP AG (hereinafter: KION Executive Board) bears overall responsibility for the establishment and functioning of risk management in the Group.

Overall responsibility within the KION Executive Board for human rights due diligence obligations directed at employment conditions within the Group lies with the Labor Director.

Overall responsibility on the KION Executive Board for human rights due diligence relating to occupational health and safety in the Group and for environmental due diligence in the Group lies with the Chief Technology Officer.

Overall responsibility on the Executive Board for human rights and environmental due diligence in relation to non-Group supply chains also lies with the Chief Technology Officer.

The function of the human rights officer described in the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz) is delegated to a Human Rights Committee in the KION Group. The members of the Human Rights Committee are representatives of the KION central functions Sustainability & HSE, Corporate Human Resources, Procurement, Corporate Compliance and Legal.

The Human Rights Committee receives reports and complaints about human rights and environmental violations that are addressed to the committee as a whole or to its members, or that it receives via the KION whistleblowing system, for further processing. In addition, the Human Rights Committee monitors the processes established to identify, prevent and remedy risks of human rights and environment-related violations and the implementation of remedial measures initiated.

The Human Rights Committee reports to the KION Executive Board on its work at least once a year.

## **Process for identification, prevention and remediation**

In order to identify risks of human rights and environment-related violations, the KION Group has subjected its own business operations as well as its direct suppliers to a risk analysis with regard to human rights violations and the violation of environmental obligations as defined by the Supply Chain Due Diligence Act.

The findings from this risk analysis are incorporated into the assessment of further cooperation with the suppliers.

The risk analysis is an ongoing process that is carried out regularly once a year. Outside of this regular process, an analysis is carried out on an ad hoc basis, e.g. as a result of information provided to our whistleblowing system or due to changes in economic or political conditions. This regular process is initiated by KION Sustainability.

The risk analysis relates on the one hand to compliance with human rights and environmental standards within the Group (own business) and on the other hand to compliance with these standards by our suppliers.

The results of the risk analyses in our own business unit are reported by the management of our business units to the Human Rights Committee.

The results of the risk analyses at suppliers are reported to the Human Rights Committee by the Head of Procurement.

Another source of information is the KION Group's whistleblower system, which can be used by employees and people outside the KION Group to make complaints or report human rights and environmental violations.

All reports are dealt with by the Human Rights Committee, which then decides on appropriate measures (such as investigations by Internal Audit or external service providers, the implementation of training courses or other remedial measures). Remedial measures are implemented by the management of the affected Group companies or, if suppliers are affected, by the Procurement function.

## **Remedial and preventive measures**

The KION Group expects its employees and suppliers to counter impending violations of human rights and environmental regulations by taking appropriate preventive measures.

In the KION Group's own business, the preventive measures include, in particular, training on the relevant human rights and environmental aspects in the respective business areas through the provision of classroom and/or e-learning courses and training materials, in addition to the definition of Group-wide standards.

For our direct suppliers, the KION Supplier Conduct Principles contain our requirements with regard to compliance with human rights and environmental standards. The KION Group aims to agree these principles as a binding part of all contracts with its direct suppliers. In addition, employees in the Procurement function receive training to ensure compliance with the principles of supplier conduct.

Violations in the KION Group's own business must be stopped immediately. In the case of violations by suppliers, active efforts must be made to bring them to an end.

If the violation of a human rights or environment-related duty has occurred or is imminent in the KION Group's own business or at a direct supplier, the responsible business unit shall immediately take the remedial action ordered by the Human Rights Committee to prevent, end or minimize the extent of the violation.

If the violation has occurred at a supplier, the Procurement function, in cooperation with the supplier, shall immediately prepare a concept to end or minimize the violation and work towards its implementation.

## **Control**

The effectiveness of the preventive and remedial measures is monitored by the managements of our business units by means of personnel and environmental indicators and the use of suitable query and reporting tools that provide indicators of any violations. In addition, self-declarations by management and spot checks by Internal Audit can be used. In the case of our suppliers, the KION Group may take appropriate control measures, e.g. on-site inspections, audits by third parties or evidence through certification.

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