

## KION Responsible Minerals Sourcing Standard

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(K-PRC-STA-01)

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KION Principles of Supplier Conduct

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# 1 General

## 1.1 Purpose

The KION Group (also referred to as '**KION**') is committed to operate its 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 the KION Group and its business partners.

Since the KION Group purchases goods and services from partners around the world, it is without a doubt that the KION Group pays strict attention to compliance with applicable international and national laws and regulations. Since particularly the upstream supply chain is exposed to certain risks related to a global and complex supply chain, the KION Group pays specifically attention to its upstream supply chain.

The KION Group Code of Compliance ('**KGCC**') is the basis for KION's corporate and social activities and this standard. Performance, personal responsibility, integrity, customer focus as well as respect for people and the environment are part of our core values. Furthermore, KION's corporate strategy places sustainability at its core, and as a result, KION's aim is to enhance environmental sustainability, support the net-zero goal, and ensures that every aspect of our value chain meets internationally defined standards for human dignity and working conditions.

KION end-products may contain amongst other materials also different natural mineral resources (for example batteries which contain lithium, cobalt, nickel and/ or graphite). Natural mineral resources are often extracted in geopolitical regions and countries, which are associated with lower governance standards, social and military conflict, and in transparent global supply chains and/ or are limited in their resources. Hence the extraction, processing, trading and use of certain raw materials and secondary raw materials might be exposed to environmental and social issues. Various international and national regulations take these circumstances into consideration.

It is therefore especially important for KION to ensure that with its business interactions KION supports and contributes to respect environmental sustainability, social well - being and human rights along its supply chain of those raw materials when included in its products. These commitments and efforts form the basis of this Responsible Minerals Sourcing Standard. The KION Group has clearly formulated its own commitment with this standard. The KION Group's expectations of its global suppliers with regards to Responsible Minerals Sourcing is formulated as well in the KION Group Supplier Code of Conduct.

KION's Responsible Minerals Sourcing Standard has taken into consideration the following Regulations:

- OECD Due Dilligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas
- European Union Conflict Minerals Regulation (EU) 2017/821,
- European Union Battery Regulation (EU) 2023/ 1542 as well as the US Dodd-Frank-Act (Sec. 1502)
- United Nations Guiding Principles on Business and Human Rights,
- Ten Principles of the United Nations Global Compact,
- United Nations Environment program (UNEP) Guidelines for Social Life Cycle Assessment of Products,
- International Labour Organisation (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy,
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Business Conduct.

## 1.2 Scope

This standard applies to all entities of the KION Group worldwide and all its employees, particularly for those who are involved in the development and purchasing of goods and services for and on behalf of the KION Group or any of its entities.

## 1.3 Intertwining of this standard and local law / Handling of exceptions

Because KION GROUP AG is a German company, its activities are primarily governed by German law. However, as a company we must comply with applicable national laws in all countries in which we operate.

If a country in which KION Group does business has stricter rules regarding Responsible Minerals Sourcing than this standard, the stricter local regulations must be complied with. If, on the other hand, the local rules are less strict than this standard, the stricter rules of this standard shall apply unless it would violate or conflict with local law. Subsidiaries of the KION GROUP AG are free to adopt stricter Responsible Minerals Sourcing rules in order to comply with local law, local customs or other considerations. Such more restrictive regulations must be complied with in addition to this standard.

Exceptions require the prior written approval of Head of Global Procurement.

## 2 Terms and Definition

Conflict Minerals	<p>In politically unstable areas, the minerals trade can be used to finance armed groups, fuel forced labor and other human rights abuses, and support corruption and money laundering as set out and defined in the OECD Due Dilligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas, the European Union Conflict Minerals Regulation (EU) 2017/821 and the US Dodd-Frank-Act (Sec. 1502).</p> <p>These so-called Conflict Minerals such as tin, tungsten, tantalum and gold, also referred to as 3TG, and all other minerals, which may become part of such regulation or similar such as Cobalt, can be used in products such as batteries or electronic components.</p>
Critical Raw Materials	<p>As per the European Union Regulation (EU) 2024/ 1252 defines a range of specific minerals that are essential for the economy and have a high risk associated with their supply, such as but not limited to cobalt, nickel, lithium and graphite.</p>
Due Diligence	<p>Due Diligence means acting with reasonable care and investigating an issue before making a decision. It is an on-going, proactive and reactive process through policies and procedures that are put in place to make sure that risks in the supply chain are identified, managed and reported.</p>
KION Group / KION	<p>Comprises KION GROUP AG and all subsidiaries in which KION GROUP AG or one of its subsidiaries holds a majority of the shares or over which KION GROUP AG has direct or indirect control.</p>
KION Procurement	<p>The dedicated department or a person in any entity of the KION Group responsible for the purchasing of goods and services on behalf of KION Group or any of its entities as defined in the current KION Procurement Guideline.</p>
Raw Materials	<p>Shall mean natural mineral resources which are or could be included in the KION end-product as defined in Annex 1 to this Standard, including Conflict Minerals.</p>
Regulations	<p>Shall mean the OECD Due Dilligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas, the European Union Conflict Minerals Regulation (EU) 2017/821, the</p>

	European Union Battery Regulation (EU) 2023/ 1542, the US Dodd-Frank-Act (Sec. 1502) United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the United Nations Global Compact, the United Nations Environment programme (UNEP) Guidelines for Social Life Cycle Assessment of Products, the International Labour Organisation (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Business Conduct or an equivalent and recognized due diligence framework.
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### 3 Commitment on responsible procurement

The KION Group aims for itself and for its suppliers that KION products shall be free of Conflict Minerals as defined in the Regulations.

Furthermore, the KION Group commits to and requests such commitment from its suppliers that the Raw Materials used in the goods finally purchased by the KION Group are sourced, processed and traded in a sustainable and ethical manner. Although the KION Group is neither directly purchasing those Raw Materials, nor is directly involved or supports any activity to move the mineral from the extraction site downstream to its incorporation in the final product for end consumers, the KION Group understands that the associated environmental, social, labour or human risks with the Raw Materials could be part of its supply chain. Therefore, the KION Group will conduct Due Dilligence to ensure compliant and responsible procurement of goods and service throughout its supply chain. Should the KION Group discover that the required standards for legal, ethical and sustainability conduct, especially with the compliance of environmental, social, labour and human rights are in breach or are about to be breached, the KION Group will on best effort initiate possible and reasonable mitigation actions to cure and/ or avoid such breach.

## 4 Roles and responsibilities

### 4.1 KION Procurement

Being the responsible department within the KION Group for the purchasing of goods and services for the global KION Group and all its entities as well as being the primary contact to KION's suppliers, KION Procurement is mainly responsible for conducting the required Due Diligence of its suppliers and to ensure that all reasonable efforts are made to fulfill the required reporting obligations and to

create data transparency along the supply chain. If necessary, this task will be executed in collaboration with other units of the organisation.

## **4.2 Responsible Minerals Sourcing Committee (RMSC)**

The RMSC has been established to ensure thorough oversight and control of the Due Diligence process and its effectiveness, facilitate discussion of results, decide on corrective actions as necessary, and approve the final report. By systematically overseeing the Due Diligence activities, discussing outcomes, and making informed decisions on corrective actions, the RMSC aims to enhance compliance, mitigate risks, and ensure that all due diligence efforts align with the organization's strategic objectives.

### **Main responsibilities of the RMSC:**

- Ensure that the Due Diligence process is conducted in accordance with established guidelines, regulatory standards, and best practices.
- Regularly review and assess the effectiveness of the Due Diligence procedures and methodologies.
- Hold periodic meetings to discuss findings from Due Diligence assessments.
- Evaluate any issues or discrepancies arising from due diligence results.
- Determine and approve risk management plans, i.e. implementing corrective actions to address identified risks or non-compliance.
- Review and approve the Due Diligence report, ensuring that it accurately reflects the outcomes of the assessment and any corrective actions taken.
- Ensure that the final report is disseminated to relevant stakeholders as required.

### **Composition of the RMSC:**

The RMSC shall consist of members with diverse expertise and backgrounds relevant to the Due Diligence process. The composition may include representatives from Compliance, Legal, Sustainability, Procurement, Human Resources, and/ or other pertinent areas. The representatives shall have the authority to make respective decisions for the KION Group. The RMSC will report to the KION Executive Board.

### **Meetings:**

The RMSC shall meet regularly, at a minimum bi-annually, or as needed. Special meetings may be convened to address urgent matters requiring immediate attention. Minutes shall be documented and distributed to all RMSC members.

### **4.3 Suppliers to KION**

As part of the supply chain of the KION Group and therefore an important part of KION's value chain, KION's suppliers are obliged to comply with the KION Group Supplier Code of Conduct, which includes the obligation of suppliers to comply with and adhere to the Regulations along their own supply chain, i.e. not using and/ or supporting the sourcing of Conflict Minerals, either directly or indirectly, and/ or participating and/ or supporting the sourcing, processing, trading and use of Raw Materials in a way that could breach environmental, social, labour or human rights, either directly or indirectly, and to support the KION Group in their efforts to create the utmost data transparency and fulfill their obligations under the Regulations.

## **5 Responsible sourcing of minerals procedure**

The herein defined process is applicable for the KION Group and is based on the recommendations of the Regulations.

### **5.1 Conducting Due Diligence**

#### **5.1.1 Conflict Minerals Due Diligence**

KION Procurement conducts the Due Diligence on the supply chain to identify possible content of Conflict Minerals within the goods they purchase from its suppliers, and which are finally used in KION's end products. KION Procurement uses recognized industry standards such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to guide the Due Diligence process and may use third-party provider solutions to execute the required survey and assessment.

#### **5.1.2 Raw Minerals Risk-Based Due Diligence**

Besides the Conflict Minerals Due Diligence, KION conducts for specific Raw materials a risk-based Due Diligence that shall assess and evaluate potential environmental, social, labour or human risks within their supply chain in the context of the extraction, processing and trading of certain Raw Materials. The assessment and evaluation follow, if necessary, the decision related to possible and reasonable mitigation and corrective actions. Such risk-based Due Diligence is based on the respective legal requirements and KION may use a third-party provider solution for this.

#### **5.1.3 Due Diligence structure**

The Due Diligence process entails the following tasks:



- Supply chain risk management process which consists of a regular or an event-based risk assessment, risk evaluation of selected KION's suppliers (Tier 1/ Tier- N suppliers), corrective action plan and implementation of mitigation measures, if required.
- Verification of the Due Diligence process and results by a third party, if required.
- Regular process control and decision-making board with regards to risk management plan via the Responsible Minerals Sourcing Committee (RMSC).
- Implementation of grievance mechanism.
- Retention of collected data and information as required.
- Reporting and/ or public disclosure of results as required.

## **5.2 Establishing Policies and Procedures**

KION Procurement establishes policies and procedures internally to ensure that and how the required Due Diligence of its suppliers is executed, and results are taken into consideration not only for corrective actions but also for the supplier selection and/ or awarding process. Furthermore, KION Procurement establishes policies and procedures to engage its suppliers contractually as well to follow the Regulations and to support the KION Group in its efforts to fulfill and adhere with the Regulations. Reference is especially made to the KION Group Supplier Code of Conduct, which are mandatory for its suppliers and a mandatory part of the contractual agreement with its suppliers. Such contractual obligation also expects its suppliers to promote these or equivalent standards to their own suppliers. In case of non-compliance or determination of a potential risk, KION reserves its right to initiate and perform further and/ or prevention and/ or mitigation actions including its right to cease the business relation with the supplier, if necessary.

## **5.3 Reporting**

KION will provide the required reports (annually, if not otherwise required by law) on its Due Diligence process and results either as part of the annual reporting or as per separate reports, if required and requested, and disclose the steps it has taken to ensure responsible sourcing of minerals. KION's reports will be available on its website and can be additionally provided upon request to authorities and immediate downstream purchaser.

## **5.4 Training**

KION will provide training to its employees and suppliers to raise awareness of the issues aligned with Raw Materials sourcing and specifically of Conflict Minerals and the importance of responsible sourcing, if necessary.

## 5.5 Continuous Improvement

KION will continuously monitor and review its policies and procedures to ensure that they remain effective in addressing the issue of Responsible Minerals Sourcing. The KION Group will work with its suppliers to improve their due diligence processes and encourage them to adopt responsible sourcing practices.

## 6 Implementation and enforcement of the policy

This KION standard comes into force on 1<sup>st</sup> of August 2025. The Operating Units and local entities in the KION Group are responsible for implementation. The implementation and enforcement of this standard in the supply chain is supported by the KION Group Supplier Code of Conduct .

## 7 Contact

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## 8 History of changes

Version	Revision Date	Name	Changes/Comments
0.1	10.04.2025	Andrea Engel	New Draft
0.2	17.05.2025	Matthias Sieber	Draft
0.3	27.06.2025	Jörg Viebranz/ Katja Thümmeler	Draft
01.0	15.07.2025	Mark Grosse/ Matthias Siebert	Initial Version
1.0	18.08.2025	Leonie Eichner	Initial Version
1.0	01.09.2025		Final Version

## Annex I

### List of Raw Materials

#### A. Conflict Minerals

As defined by the OECD Due Dilligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas, which are currently:

- tin,
- tungsten,
- tantalum and
- gold

#### B. Raw Materials

As defined by the European Union (EU) Battery Regulation 2023/ 1542, which are currently: cobalt,

- natural graphite,
- lithium,
- nickel and
- chemical compounds based on these raw materials, which are necessary for the manufacturing of the active materials of batteries.