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ENGLISH

KION GROUP

CODE OF COMPLIANCE

our
brands ...

The KION Group: togetherness is even expressed in its name. We are a Group. And we are the result of an ongoing process. We grow, we evolve, we integrate people and ideas. Our high quality products, services and solutions are a cornerstone of our success.

The other cornerstone is our workforce. Anyone who works for a KION Operating Unit is wholeheartedly committed to its success, thereby benefiting the whole KION Group. Compliance is a key element of this. Any misconduct can cause damage not only to an Operating Unit but also to the entire KION Group. Preventing this and working hand in hand, with all our efforts combined, for the success of the KION Group is our

... one common

goal!

YOU HAVE IN FRONT of you the KION Group Code of Compliance. It contains the rules that govern the way we do business in the KION Group. For that is what compliance means: abiding by laws and company policies. These regulations place high demands on each and every employee. We are aware that it is difficult to maintain an overview of all the requirements. But the general sense of law and justice instilled in every person is unfortunately not always enough. We have to agree on a common framework that is binding for every employee – which is why we have so many rules. But they are not an end in themselves. Far from it:

Compliance **benefits**

1. YOU PERSONALLY:
You are working in an environment of trust. You can speak openly and directly with colleagues. We have a framework, our shared KION Group values, which you can refer to at any time. And this will give you confidence when you are making decisions for the company.

2. THE KION GROUP:
There is a better opportunity to develop innovative products and production methods as well as new services in a company where people work together openly in a spirit of trust and in accordance with clear rules. And this has a positive effect on quality. What's more, a company that has a reputation for working in a correct and lawful manner is more attractive to customers, suppliers and all other business partners. Both together mean: better market opportunities.

YOU ARE CONSTANTLY FACING DECISIONS, both big and small, in your day-to-day work. You don't make these decisions for yourself, but always for the company. And this means that you have a responsibility toward the company. And if you do not know the law and our guidelines, a gut reaction of what seems right could actually lead you in the wrong direction. This will not happen if you adhere to our compliance guidelines.

Compliance **protects**

1. YOU PERSONALLY:
If you know what is permissible at your company and what is not, you will always be on the safe side. Misconduct can have serious consequences and, on some occasions, you could even be personally liable.

2. THE KION GROUP:
If business partners have the impression that a company is not following the law, it can be severely damaging in financial terms. For example, concerned customers may go elsewhere, perhaps taking others with them. Consistently following compliance regulations safeguards against this. The more a culture of compliance is enforced and established as a matter of course, the more protected the company will be. And this has a positive effect all round: our binding compliance regulations are there for everyone to refer to – the individual employees and the company as a whole.

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Dear colleagues,

For us, following rules is an integral part of everyday life. That means observing laws, observing social conventions and courtesies, and much more. In a company, observing rules has a name: compliance. Together, it is our responsibility that everyone knows and can observe the rules. Compliance also stems from the values that determine our corporate culture and are the foundation of our successful business dealings: Integrity, Collaboration, Courage, and Excellence.

Time and time again in the media, we hear of suspected cases of corruption in politics and business. Such cases often seem clear, but what about the gray areas? Where does corruption actually begin? The one thing we do know is that wherever any suspicion can arise, there is also the danger of lawsuits, sanctions, damage claims, and injury to reputation. The consequences – both for the individuals concerned, as well as for the Company – are often unpredictable. We would rather avoid such cases altogether, but that is only possible when every KION employee does the right thing. Consequently, **Integrity** is one of our core values – and integrity is also at the core of compliance.

Compliance is a challenge to each one of us. Always making the right decision and following all of the rules is not easy. That's why **Collaboration** is important. We trust and help each other when things get rough. We attentively open ourselves to doing the right thing. Managers in particular bear a special responsibility. They support their colleagues and are examples of compliance. Our compliance organization provides advice on this.

Our forward-looking strategy requires **Courage**, because we ultimately have to take calculated risks. In day-to-day business, it sometimes seems easier to turn a blind eye and disregard a rule or two. Courage is required here as well, including the courage to resist temptation. There are no "ifs" or "buts" in compliance.

We are a leading, innovative global supplier of forklifts, warehouse technology, and supply chain solutions, and also provide the respective services. To us, excellence means first and foremost that in the end our customers take away the maximum benefit. Our employees, who do their best every day for our customers, are the basis of our success. Their daily commitment and creativity are the heart and backbone of the KION Group. For them, we offer an attractive workplace. Our shareholders also consider the KION Group to be a reliable, solid company, whose strategy is aimed at four main areas: growth, profitability, resilience, and capital efficiency. In short, we offer our stakeholders **Excellence**, and even the slightest misconduct could put that in jeopardy. In other words, there can be no excellence without compliance.

Our Code of Compliance is intended to support you in making the right decisions – both in your internal dealings with each other, as well as in your conduct with other partners. We also provide you with training on significant aspects of compliance and ensure that you are kept informed about ongoing compliance issues. Nevertheless, if you ever feel unsure or would like further clarification, our compliance organization is here to assist you.

The Executive Board not only adheres to the rules contained in the Code of Compliance, but is also responsible for the entire compliance organization, because compliance is given top priority in the KION Group, and is also something to which I am committed personally.

Gordon Riske
Chief Executive Officer

TACKLING THE ISSUE OF COMPLIANCE – from left to right:
Ruth Schorn, Chief Compliance Officer
Jörg Viebranz, Compliance Officer STILL EMEA
Monika Duben, assistant Corporate Compliance
Russ A. Berland, Compliance Officer Dematic Global and KION Americas
Beata Scheer, Compliance Officer LMH EMEA
Daniel Schöfer, Compliance Officer KION EMEA
Amy Lai, Compliance Officer KION APAC

A PROTECTIVE FUNCTION ABOVE ALL ELSE

WHEN YOU WORK IN A COMPANY LIKE THE KION GROUP, you are faced with a whole host of rules and expectations. The KION Group helps its employees to fulfill these expectations and avoid misconduct. This important support role is the job of the KION Compliance department in the KION Group Headquarters. Everyone in the department can look back on many years of experience at KION and other companies. There is also a KION Compliance Team so that all employees can be reached across the Group, which has sites worldwide. The team also includes employees working in the regions, Operating Units and subsidiaries. They are the local points of contact for compliance. The Compliance Team is made up of around 50 colleagues from different functional areas, e.g. finance, purchasing and HR, who dedicate a portion of their working hours to this role.

One of the main aspects of compliance work is providing information and training on correct conduct. All employees in the KION Group are therefore affected by this work every day. Another, less visible, task of the department is dealing with reports of non-compliance. Despite all the precautions, there are occasional occurrences of misconduct. Or of behavior that could potentially be misconduct.

HOW CAN EMPLOYEES REPORT A BREACH?

Employees should first go to their line manager and tell him or her what possible misconduct they have observed. Dealing with such reports is one of the tasks of all line managers. Often the incident can simply be resolved at this level. If this is not the case, the employee submits a report either alone or together with the line manager.

There are various options available. The employee can contact the company's Compliance Committee – by email, letter, telephone or even in person. Or, they can turn to a member of the Compliance Committee directly, i.e. the heads of the Compliance department, Legal department, HR department or Internal Audit. "Any employee is free to contact us," promises Ruth Schorn, who is in charge of the Compliance department. And what about the hotline? "That can of course be used by all employees, for example if they don't wish to speak to their line manager, are afraid of contacting the Compliance Committee directly or simply want to remain anonymous."

WHAT HAPPENS AFTER THE REPORT HAS BEEN SUBMITTED?

Ruth Schorn describes the next steps: "Every compliance report is forwarded to all members of the Compliance Committee without delay. We then assess the content of the report and decide which measures are necessary. Usually we need additional information to be able to resolve the matter. On the Compliance Committee, we decide who will lead the investigation. Internal Audit frequently carries out this task. However, if the matter is personnel-related, then the HR department also gets involved in the case. When we are dealing with reports on the Compliance Committee, there are also rules that apply to us. We always adhere strictly to the requirements in our rules of procedure, from when we receive the report through to when we close the investigation." Unfortunately, not all suspicions prove to be unfounded. "In such cases, we discuss the matter and recommend to the line manager what would be an appropriate sanction, after consultation with the local HR department."

Apart from in the case of criminal offenses nearly all compliance breaches occur due to ignorance. This is what our experience has shown us. That's why the Compliance department trains KION employees and works to provide them with as much information as possible. Everyone needs to know what is expected of them and how they can avoid mistakes.

HOW DOES THE KION GROUP DEAL WITH THE PEOPLE AFFECTED?

When a report is made, two people are affected: the person who submitted it and the person being reported. It's very important to uphold the right to privacy of both of them. That means complete confidentiality. No one should be exposed publicly. The investigation must also be handled with the utmost sensitivity. Ruth Schorn: "This is a delicate task that requires extreme discretion. Often, we can't mention the report of alleged misconduct directly to the person in charge or to the employee who has been reported. As a rule, we first have to gain an impartial picture of the circumstances. And of course the presumption of innocence applies: until there is proof otherwise, it has to be assumed that the affected employee has behaved in accordance with the rules."

And what happens to the affected employee once the investigation is complete and the accusations have proved unfounded? "Then we ask the line manager to hold a concluding discussion with the employee. Somehow, a false impression of misconduct has arisen. They should jointly consider what caused this and what can be done to ensure that it doesn't happen again. The discussion has, above all else, a protective function for the affected colleague, but also for his or her line manager and team. We see this as a responsible course of action."

Fulfillment of data protection rules is of course also ensured. The Compliance department treats all personal data as confidential. Only the people dealing with the report have access to it. And at the end of the process, the affected person's data – such as their name and email address – is deleted or blacked out.

"A compliance system is only effective if intentional misconduct leads to consequences," summarizes Ruth Schorn. "Nobody can choose which rules to obey and which not. After all, rules that aren't observed are useless. And we also ensure that the matter does not come to nothing. But above all, the Compliance department and the Compliance Team do everything they can to prevent such serious consequences becoming necessary in the first place."

THE COMPLIANCE ORGANIZATION

Compliance is a complex matter. It is not always easy to determine which rule applies in a particular case.

Employees will always have questions about the KION Group Code of Compliance and the more detailed regulations as well as questions about how to act in certain situations. Your first port of call for such questions is generally your line manager. Our open corporate culture should allow us to address issues at the point in the organization where they occur. If this is not possible, you can contact your local Compliance Representative, the KION Group Compliance department, your human resources department or your works council.

If you are ever in any doubt, always contact the experts and stay in contact with them.

COMPLIANCE AS A SHARED RESPONSIBILITY

It is every employee's duty to comply with the applicable laws, regulations, procedural instructions and similar. Line managers at every level are responsible for the rules in their particular area of responsibility. They must communicate these rules appropriately, monitor compliance with them and investigate any breaches.

THE KION GROUP COMPLIANCE DEPARTMENT

The KION Group has a Chief Compliance Officer and a central Compliance department. The KION Group Compliance department assists the management boards of all group companies and all managers and employees with the compliance-related aspects of their work.

The department's activities include:

- Assessing company processes with regard to compliance risks
- Advising on compliance matters and answering questions
- Issuing policies and instructions
- Developing processes for the implementation of compliance matters
- Providing centralized compliance systems
- Developing and providing training materials; running compliance training courses
- Investigating incoming reports of non-compliance, examining transactions and responding to cases of non-compliance
- Reporting regularly to the Executive Board and Supervisory Board about the compliance situation in the company.

THE KION GROUP COMPLIANCE TEAM

The Compliance Team is part of the KION Group Compliance organization. The team coordinates the many different compliance-related tasks in the KION Group. It is also responsible for developing a culture of compliance in the company.

The KION Group Compliance Team is made up of the Compliance Representatives. They are the point of contact for a particular Operating Unit, region or site. In addition, they help the central KION Group Compliance department to carry out its centralized tasks. For example, they contribute to the development of training courses and run training courses at local level. The team is managed and organized by the KION Group Compliance department.

Where requirements are laid down at Group level, the management boards of the subsidiaries are responsible for implementing the requirements in their organization and monitoring implementation. As a rule, the management board of an Operating Unit is responsible for its own entity.

DEALING WITH CASES OF NON-COMPLIANCE

If you wish to report a case of non-compliance without involving one of the points of contact above, you can get in touch with the KION Group Compliance Committee directly. This committee receives all incoming reports of possible cases of non-compliance and investigates them with the necessary diligence. The members of the KION Group Compliance Committee are the Chief Compliance Officer, the head of the central internal audit department, the head of the central human resources department and the head of the central legal department.

All reports are treated in confidence. We encourage all employees submitting a report to reveal their identity. In exceptional cases, incidents of non-compliance can be reported anonymously. For such cases, please use the international number for the compliance telephone hotline. You can make your call in any KION Group language and you will not be charged for the call. The international numbers for the compliance telephone hotline can be found as an annex to this brochure and on the KION Social Intranet. Contact details of the members of the KION Group Compliance Committee can also be found under the same intranet link.

If an actual breach of statutory or company regulations occurs, the Compliance Committee and Compliance department work closely with the internal audit department, which is usually responsible for resolving such cases.

DEALING WITH COMPLAINTS

As an employee, you have many duties in relation to compliance. But at the same time, you have the right to expect that you will be treated in accordance with everything described in the KION Group Code of Compliance.

If this is not the case, please get in touch with one of the points of contact for compliance. Even if you were mistaken and there was no case of non-compliance, there will not be any negative consequences for you.

COMPLIANCE ON THE INTRANET

Visit the KION Group compliance website on the KION Social Intranet at intranet.kiongroup.net/compliance. The website offers additional information along with the contact details for the different people in the Compliance department, the members of the KION Group Compliance Team and the members of the KION Group Compliance Committee.

If you wish, you can easily change the display language via the language setting function.

Compliance telephone hotline:

- KION Group > Wissen > Themen > Compliance > Hinweisgebersystem **(Germany)**
- KION Group > Knowledge > Topics > Compliance > Whistleblower system **(international)**

Compliance Website on KION Social Intranet:

- KION Group > Wissen > Themen > Compliance **(Germany)**
- KION Group > Knowledge > Topics > Compliance **(international)**

1.

PRINCIPLES ON WHICH OUR CONDUCT IS BASED

WORKING CONSTRUCTIVELY

We seek to work closely together at all levels, constructively and in a spirit of mutual trust. The KION Group encourages all its employees to be proactive and to demonstrate initiative.

Integrity, Collaboration, Courage and Excellence are our shared KION Group values. They also form the basis of this code of conduct.

RESPONSIBLE CORPORATE GOVERNANCE

The KION Group is a commercial organization that is focused on achieving its commercial and financial objectives. We seek to ensure that our products, services, and solutions lead the way in terms of technological development, and we demand the highest standards in terms of the quality and safety of our products and services. At the same time, we take our responsibility for people and the environment seriously, both for today's society and for future generations.

HUMAN DIGNITY, HUMAN RIGHTS AND NO DISCRIMINATION

We believe in mutual respect. We respect the personal dignity of every individual and we uphold human rights. In particular we do not tolerate child labor, any harmful employment of young people or any form of forced labor. We comply with all our legal obligations.

We are respectful, loyal and fair in our dealings with one another. We do not tolerate discrimination in any form, whether it be on the grounds of nationality, ethnic origin, religion, age, disability, skin color, sexual identity, political belief or gender. Any relevant statutory provisions take priority.

We do not tolerate any form of sexual harassment or physical or humiliating personal attacks.

PRINCIPLES OF OUR COMMUNICATION

As an international group, we make the most of the experience and perspectives brought to us by different cultures. The way in which we deal with one another and with our customers and business partners is based on openness, honesty, credibility and mutual trust. It is important to us that all employees treat their colleagues, customers and business partners from other countries and cultures with the greatest respect.

This applies to face-to-face meetings, telephone conversations and written communications by letter and email. We are also guided by these principles when posting on the intranet or internet, on social networks, blogs or forums or in chat rooms, for example. Nothing said in a business context is private. Personal opinion expressed by someone in the context of their work for the KION Group will always be perceived as being the opinion of the Group.

That is why we refrain from commenting on political events or current affairs, whether they be in the past, present or future. The KION Group will only comment on a political matter if its interests are affected. However, only those with the necessary authority are permitted to speak on behalf of the KION Group.

Nor do we ever speak negatively or dismissively about our customers, competitors or colleagues.

MANAGEMENT CULTURE AND MANAGEMENT RESPONSIBILITY

Compliance can only become part of the corporate culture if managers lead by example. Our managers should therefore always act correctly and lawfully and should demand the same from their staff.

Our managers should give their staff as much individual responsibility and freedom as possible, but also offer them guidance and direction. This includes establishing clear rules and procedures, making sure employees are informed of them and ensuring they are followed. Managers remain responsible for their employees' conduct even if they delegate certain tasks. It goes without saying that this does not excuse employees from taking responsibility for their own actions.

"IN THE END, EVERYONE SHARES IN THE SUCCESS"

INTERVIEW WITH UDO TOEPFL

UDO TOEPFL works in the IT / Facility Management Technology department at Linde Material Handling in Aschaffenburg. He has served in the voluntary fire service in Riedstadt since his youth.

KGCC: Mr. Toepfl, you have been a member of the voluntary fire service for many years. How did that come about and what do you still like about it today?

Toepfl: A friend of my parents was the youth fire service officer at the time and took me with him. Children were, and still are, given a fun introduction to the fire service in Germany. Over time, you become better acquainted with the work that the fire service does. And at 17, you become an active firefighter.

In my view, the fire service offers the opportunity to do something worthwhile for the community. We help everyone free of charge, irrespective of who they are. Aside from that, I enjoy handling the technical equipment and also the camaraderie.

KGCC: The fire service has a code of conduct and behavioral rules. Why is that important?

Toepfl: There are rules for every area. You learn them in training and in drills. Above all, if you are extinguishing a fire or providing technical assistance, this has to be done more or less in compliance with the regulations set out by the fire service. This is important to ensure that several fire crews can work together in the event of a larger-scale incident. The rule that is most important is, undoubtedly, observing the hierarchy and the principle of 'command and obey' when dealing with an emergency. This may not reflect today's image of cooperative leadership. But when the fire service is in action outside a burning house, it would be utterly inconceivable to discuss whether the ladder should be positioned on the left or right. To be able to work in the fire service, you have to accept that.

Once the work is done, things are different. Anyone can express an opinion and we all consider whether we would want to handle anything differently in the future.

KGCC: Can you give a specific example of one of the rules?

Toepfl: The first thing that comes to mind has to do with organization: the seating arrangements in the fire engine. Each seat in the vehicle is designated for a particular function. In an ideal case, everyone will already know their responsibilities on the way to the emergency, whether it be connecting the water supply or taking care of the injured. We all have markings on our helmet. They immediately show other firefighters which qualifications we hold – and for example, who is a respiratory protection device specialist. These markings also denote functions, such as group or watch leader. This means that many things are already regulated when we arrive at the scene without being specifically articulated.

KGCC: Providing rescue and firefighting services is not exactly without risk. Are there rules for ensuring your own safety?

Toepfl: Let's take the example of the air supply. We often enter a building with self-contained breathing apparatus, that is, compressed air. The air reserve is continually checked and we work to the principle of allowing twice as much air for the way out as the way in.

KGCC: Have you experienced what can happen if someone does not follow the safety procedures?

Toepfl: Thankfully not. Anyone in our fire service who contravenes safety procedures will no longer be included in the crew.

KGCC: Lastly, a question about implementation in the KION Group. Based on your experience in the fire service, what advice would you give the Compliance department at KION?

Toepfl: For me, a culture of discussion is important. To clarify how a rule should be understood, but also where problems arise in practice and how they can be resolved – this is only possible as a team. In the end, everyone shares in the success – just like in the fire service. And that is a source of motivation.

2.

THE KION GROUP AND COMPLIANCE

In the KION Group we always act properly and within the law without any ifs or buts. This applies wherever we are and whatever we do. It goes without saying and is incumbent upon all employees at all levels. This KION Group Code of Compliance is an expression of this principle.

Every individual is responsible for his or her own actions. But whenever people make decisions and take action, there is always the potential for error. Mistakes can never be completely ruled out. The important thing is how we deal with them. Identifying mistakes helps us to avoid them in the future. We encourage all staff to address any problems as soon as they arise. Problems that remain hidden can sometimes have serious consequences.

2.1. THE MEANING OF COMPLIANCE

Compliance means 'keeping to' something. Many languages do not have their own word for this. In legal terms, compliance means abiding with laws and guidelines within a company.

The KION Group operates in many regions and countries. A key part of our compliance work involves maintaining an overview of the many different laws and regulations that apply in these places. In its wider sense, compliance also refers to the measures put in place by a company to ensure that staff act in accordance with rules and regulations.

Compliance embraces all existing regulations that apply to a company.

2.2. ABOUT THE KION GROUP CODE OF COMPLIANCE

The KION Group Code of Compliance sets out how we should act, and why. It serves a number of purposes:

- The KION Group Code of Compliance helps us in our day-to-day work. If we are unsure about something, we can consult it for guidance. There are always certain legal risks involved in any business activity. Having rules and regulations that are binding upon all employees protects us against these risks. We are better protected against any misconduct on the part of individual employees that might arise from uncertainty or ignorance.
- The KION Group Code of Compliance reflects our compliance culture. By compliance culture we mean the will to behave properly at all times, having the structures in place that make this possible, and continually developing those structures.
- Implementing the KION Group Code of Compliance is one way in which we can live up to our legal and ethical responsibility to our employees, business partners, shareholders, and the environment.

The KION Group Code of Compliance has two main focal points. It lays down general rules of conduct and it also describes the most important areas of application and principles in relation to compliance. However, compliance goes far beyond the principles set out in this document. For further information on the issues addressed here, and many others, please refer to our internal policies and procedures, which can be found on the KION Social Intranet.

There are frequent new developments concerning the key compliance topics, so the KION Group Code of Compliance is regularly updated. Head office also provides further information and offers various training courses on the subject. And every line manager is responsible for ensuring that his or her staff understand and comply with the rules applicable to them.

2.

THE KION GROUP AND COMPLIANCE

SCOPE

The KION Group Code of Compliance applies to all employees of KION GROUP AG and its global subsidiaries (also referred to in this document as 'the KION Group'). This includes members of the Executive Board and other executives. Members of supervisory bodies are also bound by the KION Group Code of Compliance as far as they carry out activities for the KION Group.

COMPLIANCE – A SHARED OBJECTIVE

Every employee is responsible not only for his or her own conduct within an Operating Unit, but also for his or her conduct as a member of the KION Group. Although each Operating Unit acts independently, they also have shared objectives. In the context of compliance, the objective for all employees is to protect the KION Group and its business operations from harm by acting irreproachably at all times.

ABIDING BY THE KION GROUP CODE OF COMPLIANCE

The provisions of the KION Group Code of Compliance and of the policies, guidelines and procedures based on it are binding. Every KION employee is under a duty to abide by these provisions. At the same time, every KION employee has the right to expect to be treated by others in accordance with those provisions.

Anyone can make a mistake. We work on the assumption that all KION Group employees want to behave honestly and lawfully. If some fail to do so, we have to respond – not least to protect our company. A breach of compliance regulations may – depending on the nature and severity – have consequences under employment law. It could potentially lead to dismissal or claims for damages. Employees could even face criminal prosecution.

All compliance rules apply to all employees. Some may be less common in your area of work, and some you may never encounter at all. But that does not mean that they do not apply to you. Even compliance rules that crop up more frequently in areas other than your own are still important and binding.

No employee can justify illegal conduct by saying that he or she was following the orders of a manager.

INTERNATIONAL CONVENTIONS

In addition to national and international laws, there are a number of international agreements at state level. They also provide important guidance for companies. The KION Group undertakes to comply with the following conventions in particular:

- The United Nations Universal Declaration of Human Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms
- The United Nations Convention against Corruption
- The fundamental labor conventions of the International Labour Organization (ILO), also documented in the ILO Declaration on Fundamental Principles and Rights at Work
- The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

CLOSE EXAMINATION WHERE DIFFERENT SYSTEMS OF LAW APPLY

Because KION GROUP AG is a German company, its activities are primarily governed by German law. However, as a company we must comply with the national laws applicable in all countries in which we operate. In some cases there may be conflict between these laws. In these cases we have to examine carefully which law must be complied with.

TAKING THE RIGHT ACTION – WITH CONFIDENCE

IF YOU WORK IN BUSINESS, you know that you don't always take the same route. Sometimes you're on a bumpy dirt track, and at other times on a smooth road with free-flowing traffic. This is normal. But there are often compliance risks lurking that can turn the path into a sheer rock face.

A strong hook that you can attach yourself to so that you can make your next move safely. A hook that turns a risky climb into a surmountable challenge. This is how we see our KION Group Code of Compliance, the KGCC. You need to make your own decisions, but our KGCC ensures that you have a firm foothold. Even when the terrain is particularly steep.

The following basic rules apply:

- If the local system of law contains stricter provisions than German law, the local laws and provisions apply. The **national companys** then adapt their internal guidelines accordingly.
- If individual local laws are less strict than German law, **KION** may, **as a group**, decide that a stricter regulation is desirable, sensible or legally necessary. These regulations will then be laid down in internal policies and procedures and will be published within the Group.
- The national companies of the KION Group are also entitled to draw up stricter internal policies in order to take account of local practice or other considerations.
- The Group's policies and guidelines apply throughout the Group unless they would violate or conflict with local law.

The compliance or legal departments are the first points of contact in cases of uncertainty as to the law.

3.

KION GROUP – OUR PRODUCTS, SERVICES AND SOLUTIONS

3.1. QUALITY AND RELIABILITY

Customers value our products and solutions as they play an important part in optimizing their processes. By buying them, customers are making a long-term investment. Outstanding quality and reliability are therefore key factors in the purchasing decision. Our development and production teams see things through the eyes of our customers and offer a broad range of innovative and reliable products and solutions for a very diverse range of applications.

Our products have a long life and are designed to provide effective solutions to logistics problems. Our technical maintenance teams provide on-site servicing. We offer our customers and dealers professional advice and support on matters such as technical conversions and modifications. Our top priority is always the safety of the trucks.

Very rarely, customers may experience problems when using our products. Every one of our employees is instructed to respond to requests for help. We place great emphasis on dealing with and solving such problems straight away.

Our service teams are quick to respond and flexible, and the services we provide are designed with the customers' needs in mind. Anyone who buys one of our products should be satisfied with it – this is our aim. At the same time we are committed to doing everything we can to ensure that our products are safe and reliable. We comply with all legal and technical requirements and standards. When it comes to product safety there is no room for negotiation. We do not comply with customer requests that conflict with legal requirements.

Our internal processes are also comply with statutory requirements and our compliance rules. All processes that affect the quality of our products are documented, audited and certified in accordance with DIN ISO 9001. We also comply with other applicable standards as required.

FOR QUALITY AND SAFETY

ON CLOSE INSPECTION: INITIAL SAMPLE APPROVAL

OUR PRODUCTION PLANT IN ČESKÝ KRUMLOV in the Czech Republic has been part of the company since 1997. We produce axles for trucks here. Before a production run starts, we manufacture an initial sample that is thoroughly tested, nowadays of course with the help of a computer. Only when all the requirements have been met is approval given and series production can get under way. During production, the initial sample remains on the test rig. If, during product testing, a problem is discovered on another axle from the same run, we can immediately determine whether it is an isolated case or whether the whole batch is affected.

01 The axle housing is placed on the measuring device.
02 Initial samples approved by Daniel Steker
03 Starting the computer-based testing

01

02

STAYING THE COURSE

LARGE-SCALE PROJECTS AT DEMATIC

01 **ALL SYSTEMS GO FOR THE START OF THE PROJECT**
A fully automated high-bay storage facility is a much larger purchase than a forklift truck. Engineering and building such a large-scale project is complex and requires a lot of money, people and resources. The construction period is long, often two years or more. At the same time, the project management team has to manage all the details, conditions and achieve milestones – a huge organizational challenge. Many of the goods and services are not actually provided by Dematic, and need to be acquired, so being able to rely on trusted external partners is essential.

02 **MONITORING THE TRAFFIC LIGHTS**
A large-scale project is basically a small business within the company, and it must be managed that way. This includes keeping an eye on all risks. Dematic uses a traffic light system for this purpose that shows whether all risks are still within the expected parameters or not. It is particularly important that all significant information about risks is made available to management as soon as possible – the traffic light should be changed to yellow or even red, as soon as

3.2. COMPLIANCE IN LARGE-SCALE PROJECTS

Besides industrial trucks and services, some KION Group Operating Units also offer warehouse logistics solutions that are implemented as part of large-scale projects – often in close partnership with the customer.

The decision on whether to submit a tender or not is made exclusively by a defined group of people on the basis of four checks that include compliance-related topics and relevant research: technical, commercial, legal, and compliance. Large-scale projects can be highly complex, requiring particular attention to detail. Part of the technical check, for example, is to ensure that patents and licenses are valid in all relevant jurisdictions.

Once the project starts, responsibility is transferred to the project management team. During regular project status reviews, this team also looks at project-related risks and compliance issues, and records the findings.

The same compliance regulations of course apply to large-scale projects as to any other area of the company, but there are additional questions – or the same questions in a different form. Two aspects play a particular role:

03

04

the information is known. Management needs this timely information to address situations to avert critical developments.
It is particularly important that close and trusting cooperation, perhaps even friendship, with a customer's representatives, for example, does not cause standards of conduct to slip. Granting those individuals any kind of personal benefits may influence their purchasing decisions. In a large-scale project, this can have huge negative consequences for everyone involved. Not only could such conduct be considered a form of corruption, it could also be fatal to the relationship of trust with the customer. Even the mere appearance of such behavior must be avoided. And we may never enter into agreements with a competitor in violation of fair competition and antitrust laws.

03 **WORKING HAND IN HAND**
A large-scale project usually also means a large-scale building site. And this is where teamwork counts. The task of the project management team is to formulate a detailed project plan with defined handovers. That way, the project partners can start and finish their work in the correct order. After all, delays can be really expensive. That is why it is important that every employee adheres to the specifications, but not blindly. If problems are identified, they should be flagged up as soon as possible, even if this is hard to do sometimes. Ignoring it, or not speaking up, will not solve the problem or make it go away. Dealing with problems openly is part of the principled, lawful conduct that we, our customers, and our business partners are obliged to demonstrate at all times.

04 **ALWAYS A PROUD MOMENT**
At the end of a large-scale project, there is sometimes a party at which you can look back with pride on what has been achieved by the team, for example when a high-bay storage facility goes operational.

And if you adhere to all the rules for invitations, you will make your own contribution to the success of the KION Group's 'large-scale project' for compliance.

COLLABORATION WITH SUBCONTRACTORS

It is standard procedure during the procurement process to contractually agree on the compliance requirements that apply to the project. But it may also make sense, or even be necessary, for the employees of project partners to participate in relevant training. An employee of a subcontractor, for example, may become an insider, as defined by stock company law (see chapter 6.5.), if he or she has access to relevant information as part of the project.

PERSONAL CONTACT

When people work together over long periods of time, it is normal to have closer personal contact. This applies to our own team as much as it does to the business relationship with the customer's employees, with subcontractors, and with local partners. All employees are required to act in KION's interest at all times, whether this relates to the exchange of information or to an invitation to joint events. Greater familiarity does not release employees from their duty to adhere to all applicable compliance regulations. This is particularly important where government projects are concerned.

4.

SUSTAINABILITY

The KION Group is dedicated to operating sustainably. In this we are guided by the definition in the Brundtland Report from the United Nations:

> "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

The sustainability principle is best demonstrated using the example of forestry. If the forest is to be preserved for future generations, then only so many trees may be felled as will grow back over the same period of time.

SUSTAINABILITY STRATEGY

Our strategy also takes into account the interests of our external stakeholders:

1. New laws and standards have increased the importance of sustainability for the whole economy.
2. Our focus on sustainability is an advantage for those of our customers that include supplier standards in their sustainability programs
3. Furthermore, we are catering to the needs of investors who consciously choose to invest in companies that operate sustainably.

PEOPLE

We want to be seen as an employer of choice for current and future employees. We believe that people are more enthusiastic about – and enjoy – working for a very good company.

PROCESSES

We have established the **structures and processes needed for systematic sustainability management.** This helps us to actually implement all our ideas and solutions. Specific rules relating to sustainability can also be found in the KION Group Code of Compliance; see the information on health, safety, and the environment. All employees and managers are obliged to follow these processes.

PRODUCTS

We are stepping up the **development and refinement of environmentally friendly and safe products and business processes.** For example, we have started to produce lifecycle assessments for our products. We record the raw materials and energy used, and the emissions produced, by each product and process step. This helps us to identify where we can make the greatest savings.

PERFORMANCE

We are taking the long-term view. The sustainable development of the KION Group promises added value and growth. By reducing our reliance on fossil fuels, for example, we can lower our environmental impact and the specific risks to the company.

SUSTAINABILITY REPORTING

We regularly carry out sustainability assessments, which include a special reporting process. This involves preparing the relevant data and making it available to our stakeholders. At the same time, this data enables us to fulfill the sustainability reporting obligations that have been introduced in various countries.

"THERE ARE OVERLAPS BETWEEN COMPLIANCE AND SUSTAINABILITY"

INTERVIEW WITH RUTH SCHORN AND HOLGER HOPPE

RUTH SCHORN is Chief Compliance Officer and **HOLGER HOPPE** is responsible for sustainability management at KION Group.

KGCC: Ms. Schorn, Mr. Hoppe, our readers have already been given the KION Group Code of Compliance. Why are we also talking about sustainability?

Schorn: For a start, because there are overlaps between both topics. That's why we didn't want to divide them artificially. Compliance of course involves abiding by laws and regulations.

Hoppe: And the same is also true for sustainability. For example, European corporations recently became legally obliged to disclose exactly what they are doing to promote sustainability. The relevant standards also contain requirements concerning the duties of compliance departments. So, in part we are focusing on similar topics, but are working on them from a different perspective.

Schorn: Exactly. For us, it is about the laws and regulations themselves. They are not an end in themselves, but create stability and trust. For example, in the worst case scenario corruption can unhinge an entire country. If neither fairness nor reliability govern the economy, no progress can take place in society either.

KGCC: How do you avoid a duplication of tasks in your respective areas?

Schorn: We speak with each other and coordinate our activities, especially where there are commonalities. For example, our suppliers must adhere to our Supplier Principles, which not only comprise legal, but also social factors, such as respecting human rights.

Hoppe: And in addition to economy and ecology, social factors are the third pillar of sustainability.

KGCC: What is one prominent example of the differences?

Schorn: In procurement, the compliance department looks at topics like how to avoid corruption and how to deal with conflicts of interest, as well as perhaps price fixing...

Hoppe: … while we look at new ways of approaching supplier selection. In that way, our colleagues in procurement can help to improve our ecological footprint.

Schorn: What I would most like to stress is that compliance and sustainability have the same ethical foundation. That is another reason why sustainability is included in KION's Code of Compliance.

Hoppe: The kind of company we are and want to be is also measured by the question of how we adhere to sustainable development and what contribution we are making to the society in which we all live.

5.

DEALING WITH BUSINESS PARTNERS AND THIRD PARTIES

5.1. PREVENTING AND FIGHTING CORRUPTION

In most countries corruption is a criminal offense and a serious breach of the principles of fair competition. This is true of Germany and of all local markets that are of importance for the KION Group.

The KION Operating Units manufacture high-end products. The quality of our products and services is our strength. This positioning would be weakened by any suggestion of corruption. This would not only jeopardize our market position, it would also be a threat to the very principle of fair competition. That is why the KION Group expressly supports the fight against any form of corruption.

Anyone who exploits a position of power or a position of trust to gain an unjustified advantage is engaging in **corruption**. A position of power might be, for example, a responsible role within business, politics, government or the justice system. It is irrelevant whether the benefit is material i.e. money or of a monetary nature, or nonmaterial e.g. preferential treatment. Anyone who offers or grants the benefit is engaging in corruption, as is anyone who accepts or asks for it.

Corruption is a particularly important aspect of compliance. There are always inducements that may tempt you to depart from the straight and narrow and secure yourself or the company an improper advantage.
It can be dangerous to be guided by how you would act in a private capacity. In a business context, seemingly innocuous behavior may be restricted or even prohibited by law. So don't just rely on what you personally think of as reasonable and permitted. The KION Group Code of Compliance specifies how we should behave at the KION Group to exclude any possibility of corruption. There are also internal rules on the subject of preventing corruption that set out in detail what we can and cannot do. Read the rules and guidelines carefully and always ask if you are in any doubt. This way, we can avoid misunderstandings and any unintentional violations.

5.1.1. GIFTS AND HOSPITALITY FOR THIRD PARTIES

Every society has accepted ideas about how people can and should show each other respect. And it is no different in business. If a gesture is generally regarded as polite and not as an attempt to improperly influence a business partner, we say it is socially appropriate. Different countries have different traditions as to what is socially appropriate, particularly when it comes to the value of gifts, entertainment and hospitality. That is why each national company sets its own maximum amounts. If there are several subsidiaries in one country, they agree on an amount between themselves. The management boards of the companies in each country examine whether local law or legal practice provides a maximum amount for gifts, entertainment and hospitality. This maximum amount is incorporated into their internal company regulations.

As a KION employee you must never, under any circumstances:		
- pay someone - give someone something - promise someone something	**so that he or she**	- does something he or she should not, or - does something more quickly or does something that he or she would have to do anyway.
- accept payment from someone - accept a gift from someone - allow someone to promise you something	**so that you**	- do something you should not, or - do something more quickly or do something that you would have to do anyway.
In short: you must never use your position to secure the KION Group, or yourself, an improper advantage.		

Employees can ask their local management boards or Compliance Representatives for further details of the country-specific provisions.

Gifts, entertainment and hospitality offered to third parties must satisfy certain requirements:

GIFTS

Promotional gifts or other gifts to business partners are fine as long as they are not of unreasonably high value. Cash gifts of any kind or services for which no invoice is issued are never permitted. Appropriate gifts to mark standard occasions such as birthdays or cultural dates are generally OK.

ENTERTAINMENT

Success in business requires us to develop and nurture contacts with our business partners and customers. As a KION employee, you are allowed to invite business partners and customers to lunch or dinner and pick up the bill, provided it is not for an excessive amount. Various criteria are used to determine whether hospitality is reasonable, including, for example: the business reason for the meal, the country in which the meal takes place, and the position that you and your business partners hold in your respective companies. If, for example, you have just signed a major deal, the hospitality can be more generous than if you are simply renewing an acquaintance with your business contact.

EVENTS

The same applies to invitations to events. Here too, costs must be kept within reasonable limits. Invitations to events organized by third parties (such as sports events, concerts etc.) often have a higher value than is appropriate and therefore present problems from a legal perspective. Also bear in mind that if you give a business partner or customer tickets for an event of this nature it is imperative that you also attend yourself. It is generally OK to invite business partners or customers to events organized by the KION Group itself or those officially sponsored by the KION

Group. However, the business element of the event must predominate and the leisure part must be of lesser importance.

Invitations to the company's own business events are a special case. The organizer must discuss the details with KION Corporate Compliance beforehand.

Any gift (including entertainment and hospitality) that you offer must not cause the recipient to feel obligated and consequently unable to make an objective decision. You must not give the impression that you are expecting something in return. It would be inappropriate to offer gifts before a contract is signed, for example. That could easily be perceived as the conferring of an advantage in the hope of improperly influencing the decision-making of the recipient. Gifts to spouses, relatives, personal friends or private guests are generally not allowed at all. The KION Group anti-corruption policy provides more details.

A rule of thumb – the **'publicity test'**:
Could you tell everyone about the gift or hospitality with a clear conscience? Anything you would rather keep quiet about is probably not appropriate.

PUBLIC OFFICIALS AND GOVERNMENT CONTRACTS

The rules governing dealings with public officials are particularly strict.

Public officials are:
- Civil servants
- Other employees of public authorities or other public bodies
- Employees of public-sector organizations
- Employees of international organizations

The definition of a public official may vary from country to country. If you are not sure whether or not you are dealing with a public official, consult your local Compliance Representative.

The KION Operating Units compete for government contracts all around the world. We never exercise improper influence on public officials and their decisions. This also means that we comply with all laws and regulations concerning government procurement at all times.

As a KION employee you must never offer, promise or grant any advantage to a public official. That would always constitute corruption. Under no circumstances must the impression be given that KION Group uses such means to influence the actions of a public official or obtain preferential treatment in business. Low-value gifts and hospitality are generally acceptable. However, the maximum limits are lower than for private-sector business contacts. If you are not sure whether or not you are dealing with a public official, ask your local Compliance Representative for advice.

Government projects and large-scale orders placed by public-sector organizations often entail long-term business relationships. Particular caution must be exercised in this case.

DONATIONS AND SPONSORSHIP

Donations and sponsorship are also regarded as gifts. To avoid any suspicion of corruption, the KION Group has drawn up a donations policy that sets down the rules governing the giving of donations and the agreement of sponsorship arrangements.

The KION Group donations policy stipulates who has the authority to make decisions concerning donations and sponsorship. If other employees are approached with requests for donations or sponsorship they must refer the inquiry to the appropriate person. The following general rules apply:

ON THE SAFE SIDE – THE RED LINE

IT IS COMMON KNOWLEDGE that a red line indicates a danger zone. It works because red is highly visible and is also a signal color that says stop! or danger! In reality we don't very often see an actual red line – but we nonetheless know what it means: this is where you stop.

In the KION Group we also have a red line for invitations and gifts. It separates what you can accept from what you can't. The problem is that this line isn't visible.

The necessary framework is provided by the KION Group Code of Compliance. But even that cannot eliminate all uncertainties in every individual case. We therefore want to ensure that, if you are in doubt, you don't have to make the decision alone. All managers and the Compliance department are available to help you identify the red line and make sure you don't overstep it.

Donations are voluntary cash payments or contributions in kind to organizations that are not connected to the KION Group. Donations are made without any entitlement to or expectation of receiving anything in return.

The KION Group may make cash and non-cash donations for social and humanitarian purposes, for education and science, for art and culture and for projects to protect the environment and conserve resources. The recipient of the donation and the purposes for which it is to be used must be transparent and clearly documented.

We do not give donations to individuals or to profit-driven organizations. Donations to private accounts and donations that could damage our company's reputation are forbidden. The objectives of the recipient must not conflict with our corporate principles. The KION Group does not make political donations to individuals, parties or other organizations.

The KION Group defines **sponsorship** as a contribution in the form of cash or non-monetary resources for an event that is not organized by the KION Group. It differs from a donation in that the KION Group receives something in return. For example, the KION Group may use its sponsorship of the event for promotional purposes.

Sponsorship of an event is permitted if it affords the KION Group promotional and marketing opportunities. However, the cost of the sponsorship must not exceed the cost of other comparable promotional activities. Furthermore, all sponsorship activities must be transparent and must be documented in a written contract. They must serve a legitimate business purpose and be in reasonable proportion to the benefit being offered by the event organizer.

"EXPENSIVE GIFTS ARE BECOMING LESS COMMON."

INTERVIEW WITH DEAN XIE AND JOACHIM KAFFANKE

KGCC: Talking of corporate gifts, what is the best gift you have ever received in a business situation?

Xie: One of our key account customers once gave me a golf accessory with his company logo on it. It was a small watch that you can attach to a golf bag. I still use it and it reminds me of the customer every time I see it. The best corporate gift I have ever heard of was an iPad that was given to one of my sales reps. Even though the gift was far too expensive and he knew he had to return it, he was delighted by the gesture.

Kaffanke: The best corporate gift I ever received was given to me indirectly. It was in the early 1990s, when gifts were often much more expensive than would be acceptable nowadays. At that time I worked at a law firm in London. My boss received a case of exquisite French wine from an appreciative client and generously presented a bottle to each team member who had worked on the case.

< DEAN XIE, who grew up in Xiamen, joined Linde China in 2000. Over the past 14 years, he has advanced from Sales Manager and Regional Director to National Sales Director, and now holds the position of VP Sales & Service at Linde China.

> JOACHIM KAFFANKE, a qualified German attorney, has been responsible for two functions at the KION Group headquarters: Head of the Corporate Office, overseeing the affairs of the Executive Board and Supervisory Board, and Head of the Group's Legal department.

KGCC: You've both mentioned that a gift can be too generous and that it might be necessary to refuse or return it. Is that socially acceptable and how would you handle that?

Xie: In China, it is common to give a gift to show your respect when visiting partners or on public holidays. If you decline a gift, you must do so in a respectful way, showing that you have understood the other person's intention. Nowadays, everyone knows that the rules for gifts and invitations have changed and that most companies have guidelines about what can be accepted. For that reason, it is rare to give gifts that are considered too valuable these days. Returning them is acceptable but, as mentioned, it needs to be done in a careful and respectful way.

Kaffanke: It has also been my experience that it has become less and less common to give expensive gifts in a business situation. I am sometimes invited to events or fundraisers for which the tickets are very expensive. As I am invited in my role as a company executive, I always ask myself whether such an invitation is socially acceptable. If I think that the value is too high, and therefore not acceptable, then I turn down the invitation. However, if I would perhaps like to accept it, then I ask for approval from the member of the Executive Board to whom I report. I would accept the invitation on the condition that I am allowed to cover all the costs myself.

KGCC: What would be a typical gift for your country or region?

Xie: China is so big with so many different regions and cultures. It is usual to take local specialties when visiting a business partner. That could be special food or tea, for example. Other options are company-branded giveaways or seasonal gifts.

But it is important to keep cultural differences in mind. For example, in other countries, clocks or watches are popular gifts that are well received. In China, a clock symbolizes the funeral of the recipient.

In a business situation, you also have to take into account the position and seniority of the recipient when choosing a gift. For example, it is acceptable to give a more expensive gift to a manager than to a staff member when presenting both with a gift.

Kaffanke: Regional specialties are also a common gift in Europe: food, sweets, wine or something seasonal. I sometimes present someone with a book if I think it might be of interest to them. For some occasions, porcelain or glassware might also be an option – as a special gesture of appreciation with a cultural value

KGCC: Is there anything that is a no-go in your region? A faux pas that you could make if you did not know the cultural background?

Kaffanke: I would avoid anything with a historical or political background. You don't know in such cases whether you might touch on a sensitive subject and offend the recipient with the gift.

Xie: This is not about gifts, but about invitations: in China the seating arrangement is very important. The host sits at the main table facing the entrance. That is the 'main chair'. The most important and second most important guests are positioned to the left and right of him/her. The person who organized the event sits opposite the host and takes care of the orders and settles the bill. As a rule the boss doesn't pay. Otherwise he/she would lose face.

5.1.2. GIFTS AND HOSPITALITY FROM THIRD PARTIES

The principles applicable to gifts and hospitality offered to third parties also apply to the acceptance of gifts and hospitality from third parties. The only difference is that the roles are reversed. A KION employee must never use his or her position or function within the company to gain an advantage for the company or a personal advantage for themselves. In particular, employees are forbidden to ask for or accept advantages from a business partner in exchange for giving him or her preferential treatment.

Always be especially careful when accepting gifts or hospitality. The maximum limits set down by the national companies provide guidance for determining whether a gift is appropriate. Accepting gifts or hospitality may also lead to a conflict of interest and put the good reputation of the KION Group at risk.

GIFTS

Essentially the rules governing the giving of gifts also apply to acceptance (see above). Any benefit conferred upon an employee or his or her close associates may be regarded as a gift. Generally speaking, you should not accept any gift. Cash gifts of any kind, and services for which no invoice is issued, are never permitted. The only exceptions are low-value courtesy gifts and small promotional items featuring the company name or logo. The key point to remember here is proportionality. If a gift is too expensive or too valuable, it is generally sufficient just not to accept it. However, if the gift is well above the maximum amount and is clearly beyond what could be regarded as socially appropriate, it is probably intended to influence your decision. In such a case you must refuse it and then also inform your line manager or the Compliance department.

ENTERTAINMENT AND HOSPITALITY

You are allowed to accept invitations to business dinners or other social events if these are appropriate. For example, you must be able – although not obliged – to extend an equivalent invitation on another occasion without expecting anything in return.

You cannot accept invitations from suppliers or business partners to events for which the flights, accommodation or other travel expenses are paid.

If you are not sure whether you are allowed to accept a gift or invitation or not, consult the Compliance department.

CULTURAL DIFFERENCES

Bear in mind country-specific norms when accepting gifts or hospitality. You will find details in the relevant internal policies. In some countries, you are prevented by custom and courtesy from refusing gifts and invitations. In such cases make it clear that you are not accepting the gift personally, but on behalf of the KION Group. Inform your line manager and the Compliance department and discuss what should happen next.

The KION Group anti-corruption policy sets out the requirements for accepting gifts or hospitality.

5.2. COMPETITION AND ANTITRUST LAW

For the KION Group, compliance with the rules governing fair competition is a given. There are numerous laws and regulations in force around the world governing competition and anti-trust practices. Violations can lead to heavy penalties and fines, and to substantial claims for damages, both for the company and for the persons involved. They can also seriously harm the reputation of the KION Group and its Operating Units.

We never make agreements with our competitors that could distort or affect competition.

Important: It is not the outward appearance of the agreement but its substance that counts. You must never discuss any of the following with a competitor, even in an informal, supposedly private context:

- Prices, production output, capacity, sales channels, profit margins, market share, capital expenditure, strategies
- Submitting sham tenders
- The division of customers, territories or product ranges
- Non-competition
- Prices and terms & conditions of suppliers and other contractual partners that also work with competitors

Even sharing information with competitors may constitute a violation of competition law.
Sometimes trade association meetings are used as opportunities for competitors to collude. You must never take part in such improper discussions. If you are in any doubt about the subject of a discussion, or whether the discussion should even be taking place at all, please contact the legal department.

5.3. FOREIGN TRADE LAW

Foreign trade law governs the import and export of foreign exchange, goods, services, capital and other assets traded internationally. This also includes hardware, software and technology. Electronic transmission, e.g. by email or download, also constitutes import or export.

The rules in this area can be very complex, but the following list contains some aspects that must be borne in mind:

- Identity checks
- Inspection of goods
- Embargoes, and checking usage
- Import laws and regulations, including customs legislation

Because of the KION Group's international shareholder structure, the export control regulations of other countries have to be considered.

Employees involved in the import and export of goods must ensure that all applicable rules and regulations are complied with. In cases of doubt the relevant experts should be consulted.

5.4. HANDLING CONFLICTS OF INTEREST

A **conflict of interest** exists if a person has to choose between two or more irreconcilable interests.
An employee will find himself in this position in particular if he has a personal interest in a matter that conflicts with the company's interest. In this case his personal interest may prevent him from making a decision that is in the best interests of the company.

Conflicts of interest – frequently also referred to as conflicts of loyalty – can cause the company considerable harm. And making a business decision based on personal interests can easily lead an employee into crossing the line into corruption.

A conflict can also arise if a close relative of an employee stands to gain from the employee's business decision. If the two sets of interests are mutually exclusive, the employee has to choose between the interests of his relative and those of the company.

All employees facing a conflict of interest or at risk of finding themselves in this situation must inform their line manager straight away.

A conflict of interest – or even the mere appearance of such – must be avoided at all costs. Transparency is the most effective protection against suspicion. If in doubt, employees can seek advice from their local Compliance Representative or the KION Group Compliance department. The KION Group policy on dealing with conflicts of interest provides more details.

CRITERIA FOR PURCHASING DECISIONS

All purchasing decisions are made in the best interests of the company. Decisions are based exclusively on objective criteria such as quality, technology, price, production requirements and logistics. They are also influenced by the focus on sustainability principles.

Before we enter into any contract, we make sure that all potential suppliers have been treated equally. The buyer ensures that all suppliers have received the same documentation and that no supplier receives information about another competitor.

When awarding contracts, you must be able to make your decisions objectively. If a supplier carries out work for you privately for free, or at preferential rates, there is a risk that you will feel a sense of obligation toward that supplier. That is why you must not use business contacts to supply goods or services for your own private use.

You are not allowed to be involved in a decision to award a contract to a company in which you yourself have an interest. Neither you nor any member of your family can have a financial stake in any such company. You are allowed to hold free floating shares, provided that they do not amount to more than 5 percent of the company's total share capital. And you must not be related to a director or owner of the company. If you have any such connections to a supplier, you must disclose them to your line manager.

OUTSIDE COMMITMENTS

As an employer, the KION Group welcomes the political and social involvement of its employees, whether this be in clubs, political parties or community projects. However, such activities must always be completely reconcilable with the employee's contractual obligations toward the KION Group.

SECONDARY EMPLOYMENT

Employees must not accept any other remunerated post without the prior written consent of the relevant human resources department in accordance with the prevailing company rules. This requirement is intended to prevent any possible conflict of interest or conflict with applicable health and safety regulations.

COMPETITION WITH THE KION GROUP AND ITS OPERATING UNITS

An employee who works for another company can also face a conflict of interest. For that reason, employees of the KION Group and its subsidiaries are not allowed to work for companies in competition with the KION Group.

INTERESTS IN OTHER COMPANIES

Having a stake in another company can also put an employee in a position where he faces a conflict of interest, so the rule at the KION Group is that no employee is permitted to run a company that either does business with or is in competition with the KION Group. This also excludes holding a material stake in such a company, either directly or indirectly. A stake is considered material if it gives the employee the opportunity to exercise influence over the running of the company. This will generally be the case where the shareholding is more than 5 percent of the total share capital. Anyone who holds or intends to acquire such a stake must inform his or her human resources department or the Compliance department.

5.5. PAYMENTS AND PREVENTION OF MONEY LAUNDERING

CASH PAYMENTS

Cash payments are no longer the norm in business transactions, especially where large sums of money are involved. By accepting cash or other unusual forms of payment we may be facilitating tax evasion, corruption, fraud, embezzlement or money laundering. Bank transfers are not only practical, but also reduce the aforementioned risks.

> Someone engaging in illegal activities cannot simply pay the proceeds of their crimes into their bank account. The risk of being discovered would be far too great. This ‘dirty’ money is fed into the legal money supply in the form of cash payments, for example, in a process referred to as **money laundering**. The money becomes ‘clean’ when it can no longer be distinguished from payments whose origin is lawful.

We have to protect ourselves from becoming embroiled in illegal transactions when processing payments. And we have to comply with the relevant laws. We have therefore drawn up the following rules:

- Payments should always be cashless i.e. in the form of bank transfers.
- Occasionally our business partners may insist on paying, or being paid, in cash. This is permitted in exceptional cases – for example for spare parts, where smaller sums are involved – but always requires the consent of the local management board and is subject to an upper limit of €5,000, provided that local laws do not require lower cash limits. The local Compliance Representative or the Compliance department must be informed of the payment.

- Inform the local Compliance Representative and the Compliance department immediately if you notice any unusual payment patterns (including those made electronically) or if a customer or supplier insists on payment of a large sum in cash. Unusual payment patterns may include, for example, a partner paying several small cash sums in close succession, which together add up to more than €5,000, or the respective applicable national cash payment limit.
- Regardless of any internal authorization, special provisions apply to cash payments for amounts above €10,000 because of money laundering regulations.
  - The person making the payment must provide evidence of their identity in the form of valid official personal documentation. A driver's license is not sufficient.
  - The records of the transaction must be kept for at least six years.

The KION Group cash payments policy contains more information on this topic.

CASHLESS PAYMENTS

The imperative to steer well clear of any illegal activities does not just apply to cash payments. There are also a few rules governing cashless payments.

- We always meet our payment obligations by paying the amount owed exclusively to the business partner named in the contract documentation. Also, we only make payments to an account in the country where the business partner has its registered office. If a business partner asks you to pay money into a foreign account, or to a third party, you must first check with the Compliance department whether this is permitted.
- Sometimes a third party may pay someone else's invoice, i.e. an invoice originally issued to a different party. We are not prevented from accepting such payments, although they must be very carefully examined. You must inform the management board of your local company and also the Compliance department of any unusual or suspicious payments, such as those coming from foreign accounts in so-called tax havens.

One emerging form of money laundering is to smuggle goods from an illegal origin. The KION Group is setting up processes and introducing guidance so that it can also prevent this type of money laundering.

5.6. CONTRACTUAL BASIS

We only work with business partners we trust. Even so, we always document contracts and agreements in writing. This also applies to changes to contract components such as product specifications, prices and side agreements. This is partly for the sake of legal certainty, and partly to ensure that all agreements entered into are completely transparent. Before any contract is signed it is checked for validity and for risks that may arise from the arrangements it contains.

5.7. WHAT WE EXPECT FROM OUR BUSINESS PARTNERS

Compliance is as much a matter of course for our business partners as it is for the KION Group. We have formulated principles for our suppliers and for external distribution partners such as dealers, consultants and agents, and we make reference to these in contracts and agreements with our business partners to ensure that we jointly comply with statutory provisions and compliance requirements.

The KION Group does not require its partners to sign up to the KION Group Code of Compliance. Conversely, we do not allow partners to make signing up to their code of conduct a condition of doing business. Instead, we try to get our partners to acknowledge the KION Group Code of Compliance during the contract negotiations.

COMPLIANCE PRINCIPLES

We expect our business partners:

- To comply with all applicable laws,
- Not to engage in corrupt practices,
- To respect human rights,
- To comply with laws preventing child labor,
- Not to engage in modern slavery (this includes slavery, serfdom, forced labor, and human trafficking, i.e. any form of work in which the worker's personal freedom is suppressed in order to obtain a personal or material gain),
- To take responsibility for the health and safety of their workers,
- To comply with the relevant national laws and international standards concerning environmental protection,
- To be guided by the principles of sustainability and
- To train their staff accordingly.

We expect our direct suppliers to comply with these principles themselves and also to make sure that their partners all the way down their own supply chain do the same.

DEALERS, CONSULTANTS AND AGENTS

One of the ways that the KION Group distributes its products is through authorized dealers. We communicate with our distribution partners and ensure that we jointly comply with statutory provisions.

Outside Germany, we also use the services of consultants and agents who generate business for us, support us during negotiations and assist us in dealing with public authorities. They receive fees or commission for this work.

We trust the partners with whom we work and who provide valuable services for us. Nevertheless, we have to rule out the possibility of consultants using their fees to hide illegal payments. This step is part of our risk management process and does not indicate a lack of trust on our part.

The following rules apply:

- A written contract is concluded before the work starts.
- Before the contract is concluded:
  - The necessity of a consultant or agent is assessed and documented,
  - The consultant or agent is selected in accordance with mandatory internal procedures,
  - An identity check is made (no 'front men' or 'shell companies') and
  - An assessment is made of whether the fee to be paid for the service is in line with usual market rates and is appropriate for the service concerned.
- The service provided is examined before the fee is paid.
- Payment is only made to an account in the country in which the consultant is domiciled. The consultant must also be the account holder.
- Partners must accept our compliance principles in writing and promise in the contract that they will obey the law to the letter and, in particular, will not use their fees to bribe third parties.

6.

FINANCE, CAPITAL MARKETS, PUBLICITY

6.1. ACHIEVEMENT OF THE COMPANY'S FINANCIAL TARGETS

The achievement of our financial targets is in the interests of our shareholders, our business partners and our employees – in short, in the interests of the KION Group. Achieving these targets enables us to offer our employees secure and attractive jobs and to pay adequate returns to our shareholders for the capital that they have invested.

We set ambitious but realistic targets in our business plans. Your duty as an employee is to contribute to the achievement of our financial targets.

From time to time, we may not be able to achieve our targets in certain areas, such as budget or revenue targets. It is the role of our management to regularly evaluate these targets. Additionally, they should foster and maintain a corporate culture in which all employees feel safe enough to address problems openly and impartially. Only if we are notified of deviations promptly can we have enough time to address whatever difficulties might arise and to find solutions.

6.2. FINANCIAL DOCUMENTATION

The double-checking principle applies to the signing of contracts, authorization of payments and all other relevant business transactions.

The **four-eye principle** is regarded as a type of **internal check**. It stops one employee (the first signatory) from making important decisions alone or carrying out critical tasks alone. This means that an **independent person** thoroughly examines the transaction or document and then also signs or authorizes it. When someone is the second signatory to a document, he or she shares responsibility for the measure in question.

The companies in the KION Group must fulfill statutory financial reporting requirements and contractual reporting obligations, for example toward banks. To this end, all transactions must be recorded, documented and reported to those responsible for financial reporting. This must be done accurately, promptly and in the prescribed manner using the stipulated software.

Action to disguise losses or budget overspends is prohibited. Any manipulation of accounting figures is strictly forbidden and may lead to criminal prosecution. Examples of such manipulation are posting fictitious revenue, recognizing revenue prematurely, concealing costs and overstating the value of inventories.

Software underlies many of the company's business processes, such as purchasing, invoicing and inventory management. This ensures that the necessary data is processed. These processes must be followed correctly to ensure accurate results.

Please support the work of our employees in the Accounting, Controlling, and Internal Audit departments.

The documentation requirement particularly applies to employees with regard to the travel policy. It is in employees' own interests to exercise great caution here because the amounts in question are costs that they incur privately. Costs that are not covered by the policy cannot be reimbursed.

Please also note that providing false information when claiming travel expenses may lead to disciplinary action.

6.3. RETENTION OF DOCUMENTS

The KION Group retains many documents even after they are no longer actively used. This is to comply with statutory obligations and official regulations, such as the terms and conditions of permits. But it can also be a good idea from the company's perspective to retain documents as evidence.

Among other things, this means:

- We retain all documents for at least as long as they are required by law, official regulations, existing permits and similar.
- Sometimes it may be a good idea, or even required by law, to archive documents beyond the usual retention periods, e.g. if a legal dispute is ongoing. In such cases, the affected documents must not be destroyed under any circumstances. If this situation arises, the Legal department will notify the departments affected.
- We retain documents in such a way that they can be retrieved promptly and in full when needed. This is the only way to protect the company.
- We retain documents in such a way that intellectual property is protected, confidentiality is maintained and data protection is ensured. The same requirements apply to the destruction of documents.
- We retain documents in such a way that they are protected against loss, damage and theft.

These rules apply to all departments and functions in the KION Group.

The detailed record retention requirements are based on local law and the company's own retention rules.

Please remember that, from a legal perspective, there is no difference between emails and letters. You therefore need to apply the same care to the form and content of both types of correspondence. Electronic communication is subject to the same strict retention requirements as other forms of written communication.

6.4. CORPORATE COMMUNICATIONS

PUBLIC IMAGE AND CORPORATE IDENTITY

The public image of the KION Group and its Operating Units is very important to our company's success. That is why we have to exercise great care in our day-to-day communications. This applies to all statements – whether written, oral or electronic – in all media that we use for our communications, such as marketing materials, presentations and speeches. Details can be found in the communications policy.

All forms of communication must be harmonized in terms of form (corporate identity) and content (one-voice policy).

DEALING WITH THE MEDIA

As a multiplier, the media play a very important role in how we are portrayed publicly. The press offices of the KION Group and its Operating Units are responsible for dealing with the media and handling their inquiries. Unless you have the explicit permission of these press offices, you are not permitted to make statements to the media or give out information about the KION Group, its Operating Units or national companies. Please forward any media inquiries to the responsible press office without delay. Please notify the responsible press office promptly if anything happens that could be important in terms of the company's public image.

SOCIAL MEDIA

The term 'social media' covers a wide range of interactive web-based applications and networks that allow users to share experiences, opinions, photos and video content. These include not just sites such as Facebook, Xing, Twitter, Wikipedia and YouTube, but also blogs, forums, newsgroups, chat forums, guest books and readers' letters.

If you use social media, you should make sure you are aware of, and adhere to, the general rules for the use of such media. Over and above these general rules, the KION Group has produced its own binding rules for the use of social media. These rules must be adhered to. For details, see the 'Guidelines for the use of social media'.

Some of the important rules are:

- Protect the rights of others, particularly copyright.
- Protect our intellectual property and preserve confidentiality.
- If you are in any doubt as to what information can be made public, speak to your manager or the relevant person in your communications department.
- Discuss with your manager to what extent you should be using social media for work purposes.
- Make it clear whether you are contributing in a personal capacity or as an employee of the KION Group.

PUBLICATIONS

Publications must always be agreed with the responsible departments. This applies to promotional activities, mailshots, customer magazines, presentations and the posting of content on the internet.

6.5. CAPITAL MARKETS COMPLIANCE

KION GROUP AG is listed on the Frankfurt Stock Exchange. It is therefore subject to a range of obligations and prohibitions derived from the relevant legislation governing the capital markets. Compliance is not only necessary from a legal perspective. Breaches could severely damage our image and damage investors' confidence in KION GROUP AG securities.

Details of the obligations and their fulfillment by KION GROUP AG can be found in the procedure document and policies on capital markets compliance.

INFORMATION ABOUT OUR FINANCIAL POSITION

Information about the financial position of KION GROUP AG and its subsidiaries is particularly critical. In some cases, it is subject to special reporting requirements defined in capital markets law. There is also a risk that uncoordinated statements from different areas of the Group could lead to confusion among external parties.

Consequently, statements about our financial position and financial performance may only be made by:

- The Executive Board of KION GROUP AG
- The Investor Relations department of KION GROUP AG
- The Communications department of KION GROUP AG
- People with special authorization

A CLOSER LOOK

INTERVIEW WITH KAROLINE JUNG-SENSSFELDER

Since 2014, **KAROLINE JUNG-SENSSFELDER** has been the head of KION Group's Investor Relations and M&A activities.

KGCC: Ms. Jung-Senssfelder, KION Group went public in 2013. No doubt some things have changed since then?

Jung-Senssfelder: Indeed. In the meantime, we have become much more diverse, not least following the acquisition of Dematic, which is specialized in automation and supply chain optimization. Our trading volume has increased significantly since the IPO, the Initial Public Offering, as has our share price. KION Group is now represented in the MDAX and other important indices. Many brokerage houses regularly publish studies about our company, so we are now looked at even more closely than during the time of our IPO.

KGCC: And have there also been changes to the existing legal framework since the IPO?

Jung-Senssfelder: Yes, there is a new European regulation against market abuse, the provisions of which have been applicable in all EU countries since 2016. As a result, there are consistent regulations in Europe against insider trading and market manipulation. Potential fines can amount to up to 15 percent of a company's consolidated sales. Consequently, anyone double-dealing is risking the existence of the entire company. Individuals can expect prison sentences of up to ten years.

KGCC: So KION Group is under greater scrutiny, and there are stricter laws for listed companies. That must also be challenging from a management perspective?

Jung-Senssfelder: We need the trust of all our stakeholders, meaning our customers, business partners, investors, the public and authorities. As before, we will continue to make all information available in a complete and timely manner. For example, at KION there is a close and continuous exchange between the Executive Board, the Investor Relations Team, and investors and analysts. And we of course also need good, transparent public relations.

That means the challenges extend far beyond management alone. The trust I already mentioned can only be maintained if each and every individual adheres to all laws, regulations, and internal guidelines. As a result, capital market compliance concerns every KION employee.

KGCC: What measures have you taken at KION with regard to capital market compliance?

Jung-Senssfelder: In the course of our IPO, we first and foremost set up the KION Capital Markets Clearing Team (KCMC Team), which is responsible for all matters concerning capital markets law at KION.

KGCC: What does that mean specifically?

Jung-Senssfelder: The KCMC Team assesses, for example, whether information is relevant to our share price, and whether such information should be published as an ad-hoc announcement. It releases notifications concerning managers' transactions, and, in general, it monitors whether insider regulations are adhered to, and ensures that KION Group is not taking part in market manipulation.

KGCC: That sounds like a mixture of public relations and internal vigilance.

Jung-Senssfelder: You could say that. But another element is just as important: informing our employees. All employees need to know how to handle confidential information and KION securities. And how do they arrive at that knowledge? Through appropriate information and training. For that reason, the KCMC Team looks after training and provides a constant flow of up-to-date information concerning capital market compliance on our intranet site.

KGCC: So how should employees deal with insider information? And how would they even recognize it?

Jung-Senssfelder: Our employees are constantly in contact with internal information about the KION Group, but not all internal information is insider information. Insider information is information that is not public knowledge, that can have an influence on our share price, and that is thus of importance to capital market participants when buying or selling KION securities. We have clear internal rules and guidelines for dealing with such information. In cases of doubt, the KCMC Team should always be informed.

If you have any questions, KION's Capital Markets Clearing Team can be reached at any time at kcmc-team@kiongroup.com.

The same applies in all Operating Units and subsidiaries. The capital markets compliance rules relate not only to financial information but also to other aspects of corporate communications. More information can be found in the communications policy.

GENERAL REPORTING REQUIREMENTS

By issuing securities, a company becomes subject to disclosure and reporting requirements. These relate to the securities themselves, such as voting rights held and dividend payments, and to the company's financial position. This is to ensure that investors can reliably assess a company's financial position at all times. The KION Group follows the International Financial Reporting Standards (IFRS). As a German company, KION GROUP AG also has to publish reports based on the German accounting standards in the German Commercial Code (HGB). The international subsidiaries of the KION Group are bound by their local laws.

INSIDER LEGISLATION

Inside information is precise information about a company that is not publicly available and would significantly affect the market price of the securities or related derivative financial instruments issued by the company if it were to reach the public domain. This definition is deemed to apply if an average prudent investor would take account of the information in his or her investment decision.

Four principles apply to inside information:

- Inside information must be treated as strictly confidential and must not be forwarded or made accessible without permission. Even within a company, inside information may only be distributed to those who require it for their work (need-to-know principle).
- Anyone with inside information about a company is considered to be an insider and may not use this information when buying or selling in the company's securities.
- Insiders are also prohibited from giving tips to other people or to have other people trade on their behalf on the basis of inside information.
- Inside information must be published as an ad-hoc announcement, i.e. as soon as possible. Only under specific preconditions can the publication of an ad-hoc notification be delayed.

These rules apply to the shares and bonds issued by KION GROUP AG, as well as related financial instruments (especially KION shares), and, of course, to the shares of other listed companies.

KION GROUP AG is required to maintain lists of the people who work for it and who have access to inside information. These people are notified of their obligations and receive training. The regular compliance training courses include training on insider legislation for all employees.

AD-HOC ANNOUNCEMENTS

An ad-hoc announcement is the immediate publication of inside information. KION GROUP AG is required by law to publish news about the company that could potentially have a considerable impact on the share price without delay. This is done in the form of an ad-hoc announcement (derived from lat.: ad hoc = for this situation). If you are aware of information that is or could be inside information, you are obliged to notify KION GROUP AG's Capital Market Clearing Team (KCMC Team) without delay. This team will then decide how to proceed.

MANAGERS' TRANSACTIONS

The rules governing managers' transactions apply to people as private individuals and not to companies as a whole.

For the purposes of these rules, the following people are deemed to be managers: the members of the Executive Board and Supervisory Board and all managers who have regular access to inside information by virtue of their work at the company and who are authorized to make material business decisions.

Anyone in this category who trades in securities must notify KION GROUP AG and the German Federal Financial Supervisory Authority (BaFin) of all transactions involving KION shares and all transactions involving financial instruments related to KION shares if the amount reaches or exceeds €5,000 in a calendar year. This notification obligation also applies to all physical and legal persons who are closely connected to managers.

6.6. TAX COMPLIANCE

The KION Group complies with the tax laws and regulations that exist in all the countries in which it does business.

External tax advisors are consulted when specialist advice and support are needed. We also rely on external tax advisors when a KION Group Operating Unit does not have the necessary resources to be able to fully comply with all tax requirements at all times.

However, the Operating Unit's senior management remains responsible for all of its tax affairs. The KION Group's Tax department must be consulted on all strategically important tax decisions and other critical tax matters.

When Operating Units in the KION Group do business with each other, they apply the arm's-length principle. This means that they act as if they do not belong to the same company. They adhere to the transfer pricing rules that apply in their local jurisdiction.

We do not get involved in arranged or unusual structures that:

- Are aimed at tax avoidance,
- Do not have any economic substance and
- Do not comply with the spirit of local or international tax laws.

Throughout the KION Group, taxes are paid in the country in which the company generated its income.

7.

INTERNAL KION GROUP MATTERS

7.1. HUMAN RESOURCES

FAIR CONDITIONS

We pay our employees appropriate remuneration and offer them fair development opportunities in the company. In return, we expect them to show a high level of commitment.

As a company with an international focus, we welcome the contributions of all employees, regardless of their gender, nationality, skin color, culture and religion. Recruitment, remuneration and promotions are based solely on merit.

Dialog with our employees is important to us. We want to discuss with you the achievement of your professional goals, your development opportunities in the company and your training options at regular intervals.

We aim to give all employees as much individual responsibility and freedom as possible. Line managers should encourage employees' professional development and involve them in decisions. All employees can expect fair treatment and appreciation from their line managers.

EMPLOYEE REPRESENTATIVES

We strive to maintain a collaborative relationship with trade unions and employee representatives. Constructive cooperation strengthens our ability to compete on the market.

7.2. HEALTH AND SAFETY IN THE WORKPLACE

SHARED RESPONSIBILITY

We take responsibility for the health and safety of our employees. This applies to all areas and activities of the company. Safety in the workplace involves more than simply adhering to health and safety regulations. Everyone has to use their common sense and be aware of the risks of their work. By thinking proactively and considering the risks that you and your colleagues face, you contribute significantly to ensuring a safe working environment. That is why we provide our employees with regular training. Overestimating your own abilities and underestimating risks can lead to serious accidents.

COMPLIANCE WITH HEALTH AND SAFETY REGULATIONS

Health and safety in the workplace is governed by numerous laws, regulations and internal rules. It is essential that you comply with them. We regularly provide all employees with comprehensive information about existing and amended rules.

One such rule is that all employees must wear the stipulated protective gear, in particular safety shoes, protective goggles, gloves and helmets. The work clothing provided must be worn.

COMPETING TO IMPROVE HEALTH & SAFETY

KION SAFETY CHAMPIONSHIP

01

02

LEARNING FROM EXISTING BEST PRACTICE EXAMPLES is an important aspect of all our endeavors in the field of HSE. HSE stands for Health, Safety and the Environment. This is another area where the KION Group is always looking for new opportunities to raise awareness and improve working practices. One example is the KION Safety Championship, a health and safety initiative that sees teams at various locations competing internally to develop the safety culture at their site.

The KION safety championship, started in 2014, has become a successful HSE management tool for KION. Not only has it met its original expectations, it continues to assist in developing and improving the overall safety culture and in the improvement of KPIs.

The KION safety championship has become a leading indicator, measuring the number of safety and environmental improvements. It provides a monthly window into the various sites, visually showing their safety/environment improvements, direction, training methods etc.

At the end of the year, that information is shared with all the participating locations to enhance learning.

01 Paul Green, KION HSE Manager, on a site visit.
02 Floor markings are an important element in vehicle and pedestrian segregation and help to avoid accidents.

WORKPLACE ACCIDENTS

In the event of an accident at work, you must immediately make the accident area safe, fetch help and, if necessary, give first aid. All accidents at work must be reported to the manager in charge. This is because we want to continuously improve processes so that we avoid accidents in the future and because we have to fulfill our reporting requirements.

EMPLOYEES REQUIRING PARTICULAR PROTECTION

We adhere to the legal provisions regarding the protection of young people, pregnant women and people with disabilities. We take our responsibility for employees requiring particular protection seriously.

INTOXICATING SUBSTANCES

We comply with all legal regulations regarding intoxicating substances. In particular, consuming illegal drugs in connection with employment in the KION Group will not be tolerated.

Beyond that, if an employee performs a job that puts him or her – or others – at immediate risk of injury or death, then the consumption of alcohol and other intoxicating substances is forbidden in the interest of safety. This applies to operating forklifts and machines as well.

The consumption of alcohol and other intoxicating substances during working hours, as well as before the start of work, influences decision-making capabilities, reaction speed and work performance. It can lead to workplace accidents and bad decisions. It is in the interest of the company and all its employees to avoid this.

AVAILABILITY OF HELP

Alcohol and many other intoxicating substances can be addictive. We provide appropriate offers of help to affected employees.

PROTECTION OF NON-SMOKERS

Non-smokers are entitled to be protected against tobacco smoke. The local regulations apply. Smoking is only permitted in designated areas, and smokers are required to be considerate of their colleagues where smoking is permitted.

PROTECTION AGAINST INFECTIOUS DISEASES

Infectious diseases always pose a health risk to individuals, but when a large number of employees fall ill, there is also a risk to the company. The KION Group has taken appropriate precautionary measures to minimize the risk of infection as far as possible.

7.3. ENVIRONMENTAL PROTECTION

COMMITMENT TO THE ENVIRONMENT

Protecting the environment is part of sustainable corporate development. By making a commitment to protect the environment, we want to maintain the KION Group's competitiveness and, at the same time, fulfill our responsibility as a corporate citizen. Effective environmental protection demands the engagement of all employees.

MEASURES TO PROTECT THE ENVIRONMENT

We develop and build energy-efficient products, use recyclable materials and deploy eco-friendly manufacturing techniques in the production process. We drive the development and deployment of environmentally responsible technologies. Our expectation is that all areas of the company and all employees use natural resources in a sustainable manner.

PERMITS AND APPROVALS

We ensure that our company adheres to all environmental protection regulations applicable to the establishment and operation of our production and service units. We obtain permits and approvals in good time and comply with the rules and requirements associated with them.

RELATIONSHIP WITH REGULATORS

We believe a cooperative relationship with regulators is important. As a rule, a representative is designated for each of the different areas. He or she is then responsible for contact with the regulators.

REDUCTION OF POLLUTION

We obey the statutory limits for pollution levels and aim to reduce our impact on the environment – particularly in terms of noise, odors, soil contamination and waste water – in an appropriate manner. Nonetheless, it cannot be ruled out that production and service facilities might have an adverse effect on our neighborhood and the environment.

WASTE

We aim to avoid creating waste in the first place. The waste that we do produce has to be disposed of with the minimum environmental impact. You must make sure that we comply with all waste disposal regulations. This particularly applies to hazardous waste, such as paint, acid and oil. Only if we all adhere to the rules regarding the storage, transport and disposal of waste can we effectively avoid risks to the environment and legal sanctions.

ENVIRONMENTAL REPORT

The company's senior management is responsible for documenting environmental risks centrally as part of the risk management process. To this end, the individual areas of the company produce annual environmental reports containing information about environment-related matters.

7.4. CONFIDENTIALITY AND PROTECTION OF BUSINESS SECRETS

We have special technological expertise and long-standing experience. This includes what each employee is capable of and what they know about their work. If other companies could freely use what we know and are capable of, we would lose our competitive edge. We must prevent this from happening. That is why it is the duty and obligation of all employees to protect this special expertise and treat it in confidence.

CONFIDENTIALITY

Confidential business information is information that the KION Group communicates for internal purposes that is not destined for the public domain. This includes not only information about work processes, strategies and projects but also information about colleagues, customers and business partners. You are not permitted to pass this information to anyone outside the company. And even within the company, you may only distribute business information to colleagues who require it for their work. We call this the need-to-know principle. Conversely, you must not attempt to obtain information that you do not require for your work.

"TODAY, THE HUMAN SECURITY FACTOR PLAYS AN IMPORTANT ROLE"

INTERVIEW WITH STEFAN RIECK

STEFAN RIECK has been the KION Group's Chief Information Security Officer since 2015. In this role, he develops strategies and standards aimed at continuously enhancing IT security. He also advises departments and senior management on this subject.

KGCC: Mr. Rieck, IT security can no longer be considered a new problem for companies. We're familiar with viruses, trojans, hacking, phishing, and spam. What are the biggest challenges in your view?

Rieck: Let me start with a general observation. IT security can always be divided into the technical and the human aspects.

KGCC: Human?

Rieck: Yes. Computers are neutral in the first instance. But behind every IT security problem is a person who wants to achieve something. Some of them want to inflict damage; others want to secure an advantage for themselves or for others, e.g. money or information. They exploit all the technical possibilities in order to do so – on the one hand.

KGCC: And on the other?

Rieck: On the other hand, they exploit all the human possibilities, too. In practice, we very much have the technical aspects of IT security under control. Although new issues are constantly arising – e.g. new technologies such as cloud computing – a company like KION can, in theory, protect itself adequately. IT criminals therefore go for the people who use and operate these systems. This allows them to reach their target much more easily. Here is a simple example: You find an abandoned USB stick in a meeting room. You assume that another colleague has left it behind, so you take it with you. You insert it into your computer, perhaps to find out the owner. And that's it; you've been infected with malware. Someone possibly placed it there deliberately, knowing that you were unlikely to hand in the stick to the IT department – which is what you are supposed to do. This is a common trick that we've been seeing recently.

KGCC: So people are the weakest link in the chain?

Rieck: Well, let's be honest: Following the rules to the letter is not something that most of us humans particularly like doing. We don't find it convenient. Although we do kind of know that IT involves risks, we're not aware of the actual threats we face when using a computer. Metaphorically speaking, criminals and even terrorists are permanently lurking at the door, waiting for an opportunity. They also proactively try to obtain relevant information using something called social engineering. This takes place not at the technical but at the social, i.e. the human, level.

KGCC: What are the most dangerous traps at the moment?

Rieck: CEO fraud is a long way up the list. Someone sends an email pretending to be a senior manager and instructs an employee to transfer a very large sum of money to a foreign bank account. The employee should deal directly with the actual person responsible, because the

alleged transaction is too sensitive to involve other individuals. Other conceivable variants of this trick would be aimed at obtaining confidential information, such as design drawings or as-yet unpublished financial results.

KGCC: Surely that doesn't work?

Rieck: Unfortunately they succeed too often. What is scary is that the perpetrators first have to get hold of very detailed information. It is of course easy to look up the name of the CEO or another executive. But these emails contain a number of details that present what appears to be a credible story to the target of the fraud. This is a whole new level compared with an awkwardly formulated phishing email – although there are still plenty of people who fall for those.

KGCC: And where do they get the details for these supposed emails from the CEO?

Rieck: From everywhere and anywhere. From the place where they arise. So not only by means of deliberate hacking, but above all in online forums and chatrooms, or even by talking to the victim in person at the gym. We therefore need to be cautious about giving out personal information when we're in public places – and not just on the public internet.

KGCC: Can you give us another example?

Rieck: So-called ransomware is currently quite prevalent. It is a form of malware that infects your computer and prevents you accessing it. The perpetrator then demands money to unlock it. Many companies have been attacked in this way recently, as have public-sector organizations such as hospitals. The programs are sent by email. Once you've clicked on an infected link or opened an infected file, there's no way back.

KGCC: So everyone needs to stay alert at all times, and also be a bit mistrustful?

Rieck: Yes. The crucial barriers are usually us humans, our vigilance, and our self-discipline. So don't set your nickname and date of birth as your password, then write it on a sticky note that you hide under your keyboard. And don't chat with that nice colleague about the latest large-scale project on an external forum – because she could actually be a hacker just trying to find out how to get access to our company. Let's return to the CEO fraud. The rule for financial transactions is that they must be checked by a second member of staff, i.e. the double-checking principle. Sticking to this simple principle and, in general, to the compliance rules and specified processes makes life harder for fraudsters.

PROTECTION OF INFORMATION – DUTY OF CARE

Confidential information can be found in documents, on your cell phone or laptop, on a USB stick, in emails or simply in your head. Never leave business documents and data storage media unattended. Store them securely and report their loss immediately. If you talk about business matters in public, people may eavesdrop. The risk with giving out information over the telephone is that you might be passing information to an unauthorized person because you cannot verify his or her identity. When travelling on business, avoid giving out sensitive information, e.g. planned business activities, financial data and strategies, while on the telephone (landline or cell phone) and avoid using hotspots and Wi-Fi in public places and hotels. You must be especially careful here because these connections are not always secure. Regardless of how information falls into the wrong hands, it can always be very harmful to our company.

PROTECTION OF INFORMATION – TECHNICAL AND ORGANIZATIONAL PRECAUTIONS

We have put technical and organizational measures in place to protect our data and information. However, these protective measures can only be effective if you use the technical solutions provided and comply with the applicable company policies. In this way, we can avoid the loss of data and prevent unauthorized access to it.

COMPANY INTERESTS

Our business information constitutes our capital and our strength. Handling it carefully ensures our business success and safeguards jobs. Only use this information for your work and always act in the interests of the company.

7.5. SECURITY OF IT SYSTEMS

IMPORTANCE OF IT AND ITS PROPER USE

Our business processes and production processes rely on our IT systems working without disruption at all times. That is why all employees are obliged to exercise great care when using the IT systems and to adhere to the internal policies.

PROTECTION AGAINST EXTERNAL ACCESS

We use passwords and access authorization mechanisms to prevent unauthorized access to our IT systems and the loss or destruction of data. That is why you must treat your passwords as confidential and keep them safe – just as you do with the PINs for your debit and credit cards.

PROTECTION AGAINST UNAUTHORIZED ACCESS FROM WITHIN THE COMPANY

We process a great deal of confidential data in our IT systems, including technical knowledge, business secrets and employees' personal data. We have to protect this data within the company, too. That is why you are only permitted to access the information and systems for which you have been given explicit authorization.

USE OF NEW SOFTWARE

The use of new software in an existing IT infrastructure is always subject to risk. Compatibility with existing systems must be ensured now and for the future (e.g. after updates). Before you obtain and install new software, you must obtain permission from the responsible department in the company. The same rules apply to the use of new hardware. Details can be found in the KION Group IT security policy.

USE OF EXTERNAL ACCESS METHODS

Problems may occur if someone accesses our IT systems from outside the company without using the intended access methods and interfaces. This may result in impairment of the mechanisms that protect our IT systems (e.g. firewalls and anti-virus software). Please find out what type of access you are supposed to use (LAN, Wi-Fi, Blackberry, etc.) or obtain authorization for the type of access that you require.

PRIVATE USE

As a rule, email and the internet may only be used for work purposes. They should only be used privately as an exception. Detailed information can be found in the IT policies and in country-specific or site-specific regulations and works agreements. Please observe any local or regional rules about what is not permitted.

7.6. DATA PROTECTION

Data protection is an important concern for us. As a trustworthy business, we take measures to protect the data of our customers, employees, and other interested parties. We handle personal data in a transparent and responsible way so that everyone can decide how their data is used. Worldwide networks, the increasing digitalization of information, and the dangers inherent in electronic data make effective data protection a demanding task. As a globally active business, the KION Group is meeting this challenge.

Data protection provisions vary from country to country, sometimes considerably. That is why we have defined a single standard across our companies that safeguards the rights to privacy of our employees, business partners and customers. This standard is based on the high demands of European data protection law. We also comply with the provisions of international agreements so far as they apply to us.

EXTERNAL INTERESTS RELATING TO DATA PROTECTION

Besides employee data, we hold data about our business partners and customers that is subject to data protection provisions. Their trust in us stands and falls by how carefully we treat this data. Customers in particular, but also public-sector institutions, are increasingly interested in our data protection and data security provisions, and how we implement them.

Data protection provisions are highly complex and are updated frequently to reflect advances in technology. We support you in complying with the rules governing the use of personal data.

If you have any questions or require assistance, please contact your data protection officer or the data protection coordinators.

FUNDAMENTAL PRINCIPLES

The core aspects of data protection include:

NO DATA PROCESSING WITHOUT A LEGAL BASIS
Personal data may only be collected, processed, and stored if the law permits this. This is the case, for example, if consent has been given voluntarily and can be withdrawn at any time, if data is processed to fulfil a contract with the person concerned, or if it is required by law.

PURPOSE LIMITATION
Personal data may only be used for the specific purpose for which it was initially collected. A change of purpose requires a new legal basis or the consent of the people affected. In some countries, such as Germany, employee representatives must also be consulted on the processing of employee data.

DATA ECONOMY AND DATA REDUCTION
You are only permitted to collect and store the personal data that you require for the specific planned use. Data that is no longer needed for this purpose must be deleted without delay. This issue often comes up in relation to emails and files in directories. You are not permitted to hold personal data 'in reserve' so that you do not have to collect it again if it is needed later on.

TRANSPARENCY AND THE RIGHTS OF PEOPLE AFFECTED
Everyone must know who has access to their data, and to what extent, for what purpose, and on which legal basis it is used. People affected must therefore be told in advance that their data will be processed, and informed of their rights in relation to this, whenever their data is stored for a specific purpose for the first time.

7.7. USE OF COMPANY PROPERTY

We purchase machinery, vehicles, equipment, computers, goods and office materials to help us achieve our business objectives. This applies to all of the company's assets and funds. That is why they may only be used for the purpose of achieving our business objectives. We use our funds and all other assets economically and responsibly.

It is inevitable that company property becomes worn out or is used up, even when handled correctly. Wear and tear as a result of use is normal, but it can be minimized by handling items with care and giving them proper maintenance. If you notice wear and tear, irrespective of whether it was caused by you or someone else, you must arrange for the item to be repaired or replaced or you should notify the colleague responsible for the item.

Private use of company property is only permitted if you have obtained approval beforehand. The approval process is defined at local level. If company property is damaged while being used privately, the user may be obliged to pay for the damage. This could be very expensive, depending on the type of item damaged.

STONE AGE TEACHING METHODS?

TWO STONE AGE MEN MEET in the sauna to talk about the next generation of fork-beasts … a comedy scene? Perhaps. But one with a serious message and a higher purpose. Over the next few years, scenes including this one will help employees of the KION Group around the world understand and commit to the same compliance practices. Together these are known as the KION Group Code of Compliance. And they're taught by means of e-learning.

Adhering to a common code of conduct is particularly important for us as a publicly traded company. Our aim is for the employees of the KION Group to know the main rules of conduct. It's not enough to just hand out brochures. We train our staff and get them actively involved. For employees who don't have access to a PC, the Compliance Team will organize classroom-based training.

"The whole truth right to your screen!" promises host Harry Gant. This chirpy cartoon character guides participants through the online training, asking questions of the experts and presenting sound and video clips. Examples from the Stone Age and the present day vividly illustrate topical compliance matters. The overriding message: compliance is a timeless subject.

FREEPHONE NUMBERS OF THE COMPLIANCE HOTLINES

COUNTRY	FREEPHONE NUMBER
Argentina	0800 6662603
Australia	1800 121 889
Austria	0800 281700
Belgium	0800 71025
Brazil	0800 891 8807
Bulgaria	00800 110 44 74
Canada	1888 268 5816
Chile	123 002 004 12
China	10800 152 2112
Croatia	0 800 222 845
Columbia	01800-944 4796
Cyprus	800 95207
Czech Republic	800 142 428
Denmark	8088 4368
Egypt	0800 000 00 23
Eire	1800 567 014
Estonia	800 00 44 265
Finland	0800 116773
France	0800 900240
Germany	0800 182 3246
Greece	00800 4414 5735
Hawaii	1866 293 2604
Hong Kong	800 930770
Hungary	06800 14863
Iceland	800 82 79
India	000 800 440 1286
Indonesia	007 8030 114626
Italy	800 783776
Japan	00531 78 0023
Korea (South)	00308 442074
Latvia	800 26 70
Lithuania	8800 30 444

COUNTRY	FREEPHONE NUMBER
Luxembourg	8002 4450
Malaysia	1800 885 530
Malta	800 62404
Mexico	01800 123 0193
Netherlands	0800 022 9026
New Zealand	0800 443 816
Norway	800 14870
Philippines	1800 1441 0948
Poland	00800 442 1245
Portugal	800 880 374
Puerto Rico	1866 293 1804
Romania	08008 94440
Russia (within the Rostelecom network)	810 800 260 81044
Saudi Arabia	800 844 0172
Singapore	800 4411 140
Slovakia	0800 004461
Slovenia	0800 80886
South Africa	0800 990520
Spain	900 944401
Sri Lanka	011 244 5413 (dialing from Colombo omit 011)
Sweden	0200 285415
Switzerland	0800 563823
Taiwan	0080 10 44202
Thailand	001 800 442 078
Turkey	00800 4488 29578
United Kingdom	0800 374199
UAE (United Arab Emirates)	8000 44 138 73
USA	1877 533 5310
Venezuela	0800 100 3199

KION GROUP
CODE OF COMPLIANCE

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