

# Modern Slavery Statement 2022

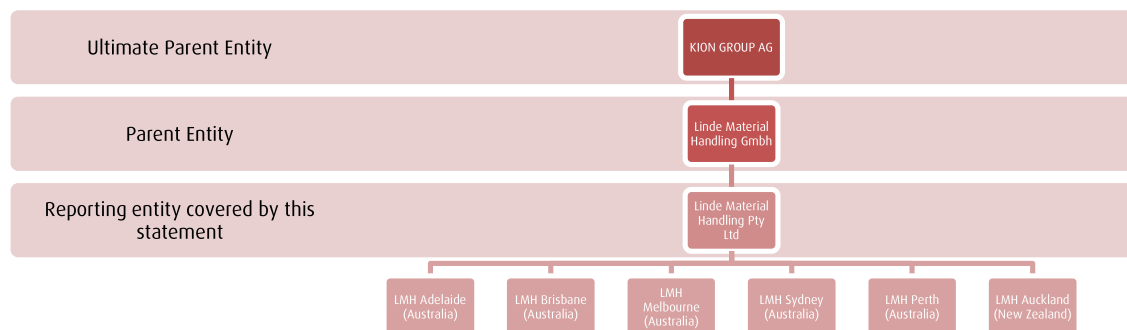
## Introduction

Linde Material Handling Pty Limited (ACN 000 768 776) (“Company”) recognises that modern slavery is a global, systemic issue which directly contradicts our values and the fundamental human rights of all people. Through its policies and actions, and an attitude of continuous improvement, the Company is committed to maintaining and improving its systems and processes to minimise the risks of modern slavery in its operations and supply chain.

This Modern Slavery Statement is made in accordance with the Modern Slavery Act 2018 (Cth) (“the Act”), and outlines the Company’s process for identifying potential modern slavery risks, and our approach to mitigating and remediating any risks identified.

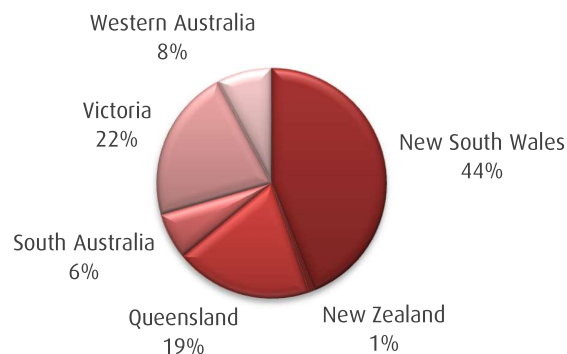
## Organisational Structure, Operations and Supply Chain

The Company is a proprietary company, incorporated in Australia and operating in Australia and New Zealand. The parent entity of the Company is Linde Material Handling GmbH. Its ultimate parent entity is KION GROUP AG. The Company does not own or control other entities.



The Company’s principal activities include the importation, assembly, sale, servicing and rental of forklift trucks.

Headquartered in Sydney, the Company operates a branch structure with owned operations in Sydney, Melbourne, Brisbane, Adelaide, Perth and Auckland. There are 398 employees across Australia and New Zealand, made up of 367 fulltime and 9 part-time direct employees and 22 labour hire personnel.



*Location of LMH employees (Total = 398 as of 31 December 2022)*

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The Company purchases forklifts and forklift parts principally from KION Group production plants in Europe, Asia and North America. Excluding employee expense reimbursement and petty cash items, the Company has approximately 1075 active suppliers. 98% of these suppliers are registered businesses in either Australia or New Zealand. The balance is represented by suppliers (mostly other KION Group companies) from whom direct materials are imported.

The Company engages with reputable suppliers providing products and services to complement its own commercial offering. The Company has no dealings with suppliers from countries identified as high risk in the Global Slavery Index.

## Risks of Modern Slavery

### *Our Operations*

94% of the Company's workers are employed directly and on permanent contracts which provide for no less than the minimum entitlements and protections outlined in the National Employment Standards and any applicable awards, enterprise agreements or other registered agreements.

Potential modern slavery risks exist in areas of the business using contracted or third-party service providers, such as building maintenance, security, catering, IT and other outsourced services. The Company has less visibility and control over these workers and their employment terms. These workers could be recent migrants, international students, or from other vulnerable groups who may be less aware of their rights and be susceptible to exploitation.

### *Supply Chain*

Approximately 85% of our forklifts and forklift parts are sourced from KION Group facilities with a very low risk of modern slavery due to their employment and HR processes, their procurement protocols, and their supplier due diligence. Some components are sourced from Australian suppliers who have their own supply chains that may extend beyond Australian borders to countries with higher modern slavery risks. Whilst the Company does not deal directly with suppliers from high-risk countries, it recognises the potential for modern slavery in the supply chains of our suppliers and business partners. We have started assessing these risks with the support of the Informed 365 supplier platform and understand that there may be higher risks of modern slavery in supply chains that use more low-paid or casual workers, that do not provide human rights education to their staff or suppliers, or which do not provide workers with a grievance mechanism or complaints procedure.

## Actions Taken to Assess and Address Risks

The Company has implemented various initiatives and actions in Australia to assess and address risks of Modern Slavery.

### *Policies*

As part of the KION Group AG, the Company follows the KION Group Code of Compliance ("KGCC") (available at: [KION Group Code of Compliance EN.pdf \(kiongroup.com\)](#)) which defines expectations for how the Company operates as a business, including its commitment to:

- respecting human rights
- complying with laws prohibiting child labour

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- preventing modern slavery (which includes all forms of forced labour, serf-dom, human trafficking and any other practice by which the worker's personal freedom is suppressed in order to obtain a personal or material gain)
- work health and safety
- zero tolerance for any form of bribery or corruption
- environmental protection and sustainability

Other key supporting policies that promote ethical and legally compliant business conduct, include the:

- Anti-Slavery and Human Trafficking policy ("the Policy")
- Equal Opportunity Policy
- Code of Conduct and Ethics
- Anti-Bribery Anti-Corruption Policy
- Workplace Harassment and Violence Policy
- Whistleblower Protection Policy

In addition to the above, the KION Group has undertaken to comply with the United Nations Universal Declaration of Human Rights, European Convention for the Protection of Human Rights and Fundamental Freedoms, and the fundamental labour conventions of the International Labour Organisation (ILO) (also documented in the ILO Declaration on Fundamental Principles and Rights at Work).

KION expects that its direct suppliers comply with the principles enshrined in the KGCC and ensure their partners and own supply chain do the same. As part of the supplier approval process, prospective suppliers are provided with copies of the KGCC and KION Group Principles of Supplier Conduct, and required to complete an online Supply Chain Questionnaire (SCQ), in which they are requested to acknowledge and confirm they will comply with the KGCC and KION Group Principles of Supplier Conduct ("Supplier Principles"). This confirmation is required for their approval as a new supplier or to be retained as an active supplier when arrangements are reviewed or renewed.

### *Improving the New Supplier Assessment Process*

In 2022 the Company successfully replaced its previous paper-based supplier management system with Informed365, a cloud-based data management platform which acts as a single online repository of all supplier-related data (including in relation to modern slavery), in addition to provision of supplier modern slavery risk screening, assessment and risk-rating capabilities. An SCQ is issued to all prospective suppliers via Informed365, assisting to pre-screen suppliers for compliance with the Company's minimum expectations across the key areas of labour and human rights, health and safety, and ethical procurement. The SCQs allows the Company to efficiently identify and address risks in our supply chain by assessing areas of risk around suppliers' policies and procedures, supply chain visibility, or worker dialogue.

In July 2022, the Company allocated a specific part-time resource towards managing and improving the SAQ process.

### *Reviewing Existing Suppliers*

Following the implementation of Informed365, the Company directed its focus towards reviewing and auditing its existing supplier base to ensure alignment with the modern slavery program. This initiative has seen over 16% of our supply base complete the SCQ.

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## *Clauses in Supplier Contracts*

During the SCQ process, suppliers are requested to agree to the Company's standard Terms and Conditions of Purchase ("Linde Standard Terms") which include warranties from the supplier that their business is conducted in a manner that is consistent with the principles of the Act. A supplier must also notify the Company as soon as it becomes aware of any actual or suspected modern slavery in its supply chain.

Where a supplier does not agree to the Linde Standard Terms, it is required to sign a Supplier Acknowledgment & Undertaking to the same effect.

## *Increasing awareness and training*

From Q2 of 2022, all key personnel who are involved with the supplier management process are required to complete annual training on the Company's obligations under the Act and steps it has and will in future take to minimise the risk of modern slavery within the organisation. Additionally, the Compliance Department regularly circulates fact sheets to all employees regarding modern slavery, and the obligations of the Company and each employee.

In addition, the Informed 365 supplier assessment platform provides free educational resources for suppliers alongside questions, in order to encourage continuous improvement, and we will be making more free learning resources available to suppliers over time in order to help them assess and address their own modern slavery risks.

## *Whistleblower Hotline & Complaints Procedure*

The Company has in place robust Grievance & Complaints, and Whistleblower policies (including a confidential whistleblower hotline) which ensure that staff and suppliers are able to voice concerns about exploitation or human rights issues.

## **Effectiveness of Actions**

The Company assesses the effectiveness of the initiatives it has implemented to address modern slavery risks by:

- Regular internal taskforce meetings discussing the effectiveness of actions
- Regular (monthly) internal taskforce meetings discussing the effectiveness of actions
- Quarterly risk management meeting agenda items about actions around modern slavery
- External reviews of the effectiveness of the actions being taken (Better Sydney, auditors)
- Investigating any reports from employees, the public or any other third party, of potential modern slavery issues.
- Reviewing the receipt rate of supply chain questionnaires from existing suppliers;
- Reviewing the quality of responses included in supply chain questionnaires;
- Monitoring the frequency of training activities which raise awareness on modern slavery practices;
- Engaging with stakeholders on modern slavery issues or concerns, including customers, suppliers, third party auditors and staff.

While we have not identified any instances of modern slavery within our operations and supply chain, we are committed to prompt remediation should any be identified.

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## Continuous Improvement

The following initiatives are planned to strengthen the Company's existing program to identify and address the risk of modern slavery in its operations and supply chain:

- Educate staff in the Act and company policies as relevant. Rollout of further training relating to modern slavery is planned for 2023.
- Re-issue the Modern Slavery Policy to all employees to better understand business expectations and requirements as well as reporting mechanisms.
- With respect to existing suppliers who have not completed the SCQ:
  - continue to send reminders to complete the SCQ;
  - directly contact suppliers who fail to respond; and
  - use alternative methods to assess supplier modern slavery risks, such as through reviewing suppliers' own modern slavery statements and codes of conduct.
- Review supplier arrangements for products, services or industries designated as higher risk to improve traceability of componentry and assess modern slavery risks in these supply chains.
- Learn to fully leverage the capabilities of Informed365 platform to further improve vendor management and facilitate deeper risk assessments using in-built analytics to map and highlight risks in our supply chain.

## Board Approval

This statement was approved by the board of the company on 31 July 2023.



George Pappas  
Managing Director of Linde Material Handling Pty Limited