

Modern Slavery Statement 2020

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’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 approximately 350 employees across Australia and New Zealand.

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 1,200 active suppliers. 97% 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 high quality 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

Most 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 cleaning 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.

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Supply Chain

A very high proportion of our forklifts and forklift parts are sourced from KION Group facilities with a very low risk of modern slavery. 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.

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
- 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 a Supply Chain Questionnaire, 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.

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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.

Supplier Engagement

In December 2019, the Company sent a letter to all existing suppliers which outlined our zero-tolerance approach to modern slavery and increased due diligence processes (“Modern Slavery Letter”). Suppliers were also asked to complete a Supply Chain Questionnaire to evaluate the strength of their systems and processes to prevent modern slavery risks, and confirm their agreement to the KGCC and Supplier Principles.

Review of Standard Terms & Conditions

Our standard Terms and Conditions of Purchase have been updated to include warranties from the supplier that their business is conducted in a manner that is consistent with the principles of the Act (“Supplier Warranties”). A supplier must also notify the Company as soon as it becomes aware of any actual or suspected modern slavery in its supply chain.

New Supplier Approval Process

A new supplier approval process has been implemented to ensure any modern slavery risks are identified as early as possible. The following steps are required to be satisfactorily completed prior to transacting with a new supplier:

- Compliance/Trade checks, including reports of adverse action both in Australia and internationally;
- Completion of Supply Chain Questionnaire to be completed and signed by prospective supplier, including agreement to comply with the KGCC and Supplier Principles;
- Execution of standard Terms and Conditions of Purchase or separate addendum containing the Supplier Warranties;
- If an independent contractor, prospective supplier to provide documentation to confirm adherence to minimum standards of safety, compliance and workers compensation for its workers.
- Copies of the Policy, Modern Slavery Letter, KGCC and Supplier Principles provided to prospective supplier.

Depending on the severity of issues identified with an existing or prospective supplier, Management may:

- Request copies of policies, procedures and training records relating to Modern Slavery
- Request copies of any relevant audits or require an onsite independent audit
- Conduct an onsite visit to understand how risk is being managed
- Work with the supplier to improve understanding and management of modern slavery risks within their supply chain
- Discontinue the relationship if a supplier has no willingness to address any gaps or concerns relating to modern slavery
- Report any breaches to the relevant authorities

Effectiveness of Actions

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

- 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.

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 2021.
- Re-issue the Policy to all employees, with a requirement to sign and acknowledge acceptance of same.
- Review supplier arrangements for products designated as higher risk to improve traceability of componentry and assess modern slavery risks in these supply chains.
- Investigate options to further improve vendor management and facilitate deeper risk assessments using analytics to map and highlight risks in our supply chain.

Board Approval

This statement was approved by the board of the Company on 14 May 2021.



Nino Pala
Managing Director
14/5/21