

KONE GmbH

Rules of procedure for the complaints procedure under the Act on Corporate Obligations in the Supply Chain

In implementation of Section 8 (2) of the Act on Corporate Obligations in the Supply Chain of July 16, 2021 (Federal Law Gazette 2021, p. 2959 et seq. - hereinafter "**Supply Chain Act**"), KONE GmbH, Vahrenwalder Str. 317, D-30179 Hanover (hereinafter "**KONE**") hereby establishes the following rules of procedure for the complaints procedure under the Supply Chain Act:

1. Purpose of the complaints procedure

KONE complies with all requirements of the Supply Chain Act. Among other things, the Supply Chain Act requires KONE to set up a complaints procedure. The complaints procedure makes it possible to, point out

- human rights or environmental risks and
- violations of human rights or environmental obligations caused by the economic activities of KONE or those of a direct or indirect supplier of KONE.

Furthermore, a violation of the KONE Code of Conduct can be reported via the complaints procedure. KONE uses the information received through the complaints procedure to prevent, stop or minimize the aforementioned risks or violations as far as possible.

2. Definitions

Own business unit	KONE's own business unit covers all activities of KONE to achieve its business objective. This includes all activities for the manufacture and utilization of products and the provision of services, regardless of whether they are carried out at a location in Germany or abroad. KONE's own business unit also includes KONE's subsidiaries.
KONE Code of Conduct	The KONE Code of Conduct is KONE's binding code of conduct for all KONE employees as well as for KONE's direct and indirect suppliers, as amended from time to time.
Human rights risk	A human rights risk is a situation in which there is a sufficient probability of a violation of one of the prohibitions listed in Section 2 (2) Nos. 1 to 12 of the Supply Chain Act (see <u>Annex</u>) due to factual circumstances.
Indirect supplier	An indirect supplier is any company that is not a direct supplier and whose supplies are necessary for the

	manufacture of KONE's products or for the provision and use of KONE's services.
Environmental risk	An environmental risk is a situation in which, based on factual circumstances, there is a sufficient probability of a violation of one of the prohibitions listed in Section 2 (3) Nos. 1 to 8 of the Supply Chain Act (see <u>Annex</u>).
Direct supplier	A direct supplier is a party to a contract for the supply goods or the provision of services whose supplies are necessary for the manufacture of KONE's products or for the provision and use of KONE's services.
Violation of a human rights-related obligation	A violation of a human rights-related obligation within the meaning of this Act is a violation of a prohibition specified in Section 2 (2) Nos. 1 to 12 of the Supply Chain Act (see <u>Annex</u>).
Breach of an environmental obligation	A breach of an environmental obligation within the meaning of this Act is a breach of a prohibition specified in Section 2 (3) Nos. 1 to 8 of the Supply Chain Act (see <u>Annex</u>).

3. **Persons authorized to register**

The complaints procedure is open to any person who would like to point out

- human rights or environmental risks,
- violations of human rights or environmental obligations arising from the business activities of KONE or a direct or indirect supplier of KONE, or
- a violation of KONE's Code of Conduct.

Whistleblowers do not have to be employees of KONE or of KONE's direct or indirect suppliers.

4. **Possible subject of reports**

The subject of reports can be

- human rights-related or environmental risks,
- violations of human rights or environmental obligations arising from the business activities of KONE or a direct or indirect supplier of KONE, or
- Violations of the KONE Code of Conduct

In order to submit a report, it is sufficient for a whistleblower to have sufficient reason to believe at the time of reporting that one of the aforementioned risks or violations actually exists, even if this assumption subsequently proves to be incorrect.

5. Reporting channels, protection of whistleblowers, data protection

Notifications can be made verbally, by telephone, via the Internet, by letter or in any other commonly used form of communication via the following contacts:

Internet: <https://kone.speakup.report/KONECompliance>

or **scan this QR code:**



By telephone: 0800 1818 952 (free of charge)

→ Enter the CODE when prompted: **112682**

By post or verbally to the employees of the:

KONE GmbH
- Legal Department -
Vahrenwalder Str. 317
D-30179 Hanover

The persons responsible for receiving reports are obliged to maintain confidentiality. They work independently and are not bound by instructions as part of the complaints procedure. They process reports impartially and without bias.

The confidentiality of the identity of whistleblowers is maintained throughout the entire complaints procedure. Whistleblowers should give the persons responsible for receiving reports the opportunity to provide feedback and, if necessary, ask questions.

KONE will not discriminate or penalize a whistleblower for making a report in good faith.

KONE complies with all applicable data protection regulations throughout the complaint process.

6. Procedure of the notification process

Once a report has been received, the complaints procedure generally involves the following steps:

Step 1: The persons responsible for receiving reports shall confirm receipt of the report to the whistleblower within no more than seven days.

- Step 2: The persons responsible for receiving reports will ask the whistleblower to indicate whether he/she agrees to involve KONE's central compliance organization (KONE Global Compliance) in the complaints procedure. If the whistleblower agrees, the persons responsible for receiving reports will involve KONE Global Compliance in the complaints procedure. In this case, the provisions of section 5 apply to KONE Global Compliance accordingly. If the whistleblower does not agree to KONE Global Compliance being involved in the complaints procedure, the persons responsible for receiving reports will continue the complaints procedure without KONE Global Compliance.
- Step 3: The persons responsible for receiving reports - if necessary with the involvement of KONE Global Compliance (see step 2) - investigate the facts of the case. For this purpose, they may interview witnesses or accused persons or collect other evidence. As part of the investigation of the facts, it may be necessary to ask the whistleblower questions. The results of the investigation are summarized in a final report. The persons responsible for receiving reports will in any case provide the whistleblower with feedback on the status of the complaints procedure within no more than three months of confirming receipt of the report, even if the investigation of the facts has not yet been completed at this time.
- Step 4: Based on the final report, KONE makes a decision on whether human rights or environmental risks or human rights or environmental violations or breaches of the KONE Code of Conduct exist and, if so, what measures are taken to avoid, eliminate or minimize them.

If the circumstances of the individual case so require, the persons responsible for receiving reports - if necessary with the involvement of KONE Global Compliance (see step 2) - may deviate from the procedure described here or take additional measures. The requirements of section 5 shall always be observed.

7. Review of the complaints procedure

KONE reviews the effectiveness of the complaints procedure at least once a year. In addition, KONE will conduct such a review for special reasons if KONE has to expect a significantly changed or significantly expanded risk situation in its own business area or with direct or indirect suppliers, for example due to the introduction of new products, projects or a new business area. If necessary, KONE will repeat the measures immediately.

8. Publication of these Rules of Procedure

KONE makes these Rules of Procedure permanently available to the public on its website (www.kone.de).

Annex
Extract from the Supply Chain Act
(§ 2 subsec. 2 and 3)

§ 2 Definitions

(1) Protected legal positions within the meaning of this Act are those arising from the conventions for the protection of human rights listed in numbers 1 to 11 of the Annex.

(2) A human rights risk within the meaning of this Act is a situation in which there is a sufficient probability of a violation of one of the following prohibitions due to factual circumstances:

1.

the prohibition of employment of a child under the age at which compulsory schooling ends under the law of the place of employment, whereby the age of employment may not be less than 15 years; this does not apply if the law of the place of employment deviates from this in accordance with Article 2 (4) and Articles 4 to 8 of Convention No. 138 of the International Labor Organization of June 26, 1973 concerning the minimum age for admission to employment (Federal Law Gazette 1976 II p. 201, 202);

2.

the prohibition of the worst forms of child labor for children under the age of 18; this includes Article 3 of Convention No. 182 of the International Labor Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor (BGBl. 2001 II p. 1290, 1291):

a)

all forms of slavery or practices similar to slavery, such as the sale of children and child trafficking, debt bondage and servitude, and forced or compulsory labor, including the forced or compulsory recruitment of children for use in armed conflict,

b)

the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances,

c)

the use, procuring or offering of a child for illicit activities, in particular for the production of and trafficking in drugs,

d)

Work which, by its nature or because of the circumstances in which it is carried out, is likely to be harmful to the health, safety or morals of children;

3.

the prohibition of the employment of persons in forced labor; this includes any work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily, for example as a result of debt bondage or trafficking in human beings; excepted from forced labor are work or services which are in accordance with Article 2 paragraph 2 of Convention No. 29 of the International Labor Organization of 28 June 1930 concerning forced or compulsory labor (BGBl. 1956 II p. 640, 641) or with Article 8 letters b and c of the International Covenant of 19 December 1966 on Civil and Political Rights (BGBl. 1973 II p. 1533, 1534);

4. the prohibition of all forms of slavery, slavery-like practices, servitude or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation;
5. the prohibition of disregarding the occupational health and safety obligations applicable under the law of the place of employment if this results in the risk of accidents at work or work-related health hazards, in particular due to:
 - a) obviously inadequate safety standards in the provision and maintenance of the workplace, the workplace and the work equipment,
 - b) the lack of suitable protective measures to prevent the effects of chemical, physical or biological substances,
 - c) the lack of measures to prevent excessive physical and mental fatigue, in particular through inappropriate work organization in terms of working hours and rest breaks, or
 - d) inadequate training and instruction of employees;
6. the ban on disregarding freedom of association, according to the
 - a) employees are free to form or join trade unions,
 - b) the establishment, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation,
 - c) trade unions may operate freely and in accordance with the law of the place of employment; this includes the right to strike and the right to collective bargaining;
7. the prohibition of unequal treatment in employment, for example on the basis of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employment; unequal treatment includes in particular the payment of unequal remuneration for work of equal value;
8. the prohibition of withholding an appropriate wage; the appropriate wage is at least the minimum wage stipulated by the applicable law and is otherwise determined by the law of the place of employment;
9. the prohibition of causing harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption, the
 - a) significantly impairs the natural basis for the preservation and production of food,
 - b) denies a person access to safe drinking water,
 - c) impedes or destroys a person's access to sanitary facilities or
 - d) harms the health of a person;

10. the prohibition of unlawful eviction and the prohibition of unlawful deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person;
 11. the prohibition of hiring or using private or public security forces to protect the company's project if, due to a lack of instruction or control on the part of the company when deploying the security forces
 - a) the prohibition of torture and cruel, inhuman or degrading treatment is disregarded,
 - b) life or limb are injured or
 - c) the freedom of association and unionization are impaired;
 12. the prohibition of an act or omission in breach of duty that goes beyond numbers 1 to 11, which is directly capable of impairing a protected legal position in a particularly serious manner and the unlawfulness of which is obvious on a reasonable assessment of all the circumstances in question.
- (3) An environmental risk within the meaning of this Act is a situation in which there is a sufficient probability of a violation of one of the following prohibitions due to factual circumstances:
1. the ban on the manufacture of mercury-added products in accordance with Article 4 (1) and Annex A Part I of the Minamata Convention on Mercury of October 10, 2013 (Federal Law Gazette 2017 II p. 610, 611) (Minamata Convention);
 2. the prohibition of the use of mercury and mercury compounds in manufacturing processes as defined in Article 5(2) and Annex B, Part I of the Minamata Convention from the phase-out date specified for the respective products and processes in the Convention;
 3. the prohibition of the treatment of mercury waste contrary to the provisions of Article 11(3) of the Minamata Convention;
 4. the ban on the production and use of chemicals in accordance with Article 3(1)(a) and Annex A of the Stockholm Convention of May 23, 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II p. 803, 804) (POPs Convention), last amended by the decision of May 6, 2005 (Federal Law Gazette 2009 II p. 1060, 1061), as amended by Regulation (EU) 2019/1021 of the European Parliament and of the Council of June 20, 2019 on persistent organic pollutants (OJ L 169, 26.5.2019, p. 45), which was last amended by Commission Delegated Regulation (EU) 2021/277 of December 16, 2020 (OJ L 62, 23.2.2021, p. 1);
 5. the prohibition of the non-environmentally sound handling, collection, storage and disposal of waste in accordance with the regulations in force in the applicable legal system under the provisions of Article 6(1)(d)(i) and (ii) of the POPs Convention;
 6. the ban on the export of hazardous waste as defined in Article 1(1) and other waste as defined in Article 1(2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989 (Federal Law Gazette 1994 II p. 2703, 2704) (Basel Convention), as last amended by the Third Ordinance amending the Annexes to the Basel Convention of 22 March 1989 of May 6, 2014 (Federal Law Gazette II p. 306, 307), and as defined in Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of March 1989 of May 6, 2014 (BGBl. II p. 306, 307), and within the meaning of

Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of June 14, 2006 on shipments of waste (OJ L 190, 12.7.2006, p. 1) (Regulation (EC) No. 1013/2006), which was last amended by Commission Delegated Regulation (EU) 2020/2174 of October 19, 2020 (OJ L 433, 22.12.2020, p. 11)

a)

to a Party that has prohibited the import of such hazardous and other wastes (Article 4(1)(b) of the Basel Convention),

b)

to a country of import within the meaning of Article 2(11) of the Basel Convention which has not given its written consent to the specific import, if that country of import has not prohibited the import of that hazardous waste (Article 4(1)(c) of the Basel Convention),

c)

to a non-Party to the Basel Convention (Article 4(5) of the Basel Convention),

d)

to a country of import if such hazardous waste or other waste is not managed in an environmentally sound manner in that country or elsewhere (Article 4(8), first sentence, of the Basel Convention);

7.

the ban on exports of hazardous waste from countries listed in Annex VII of the Basel Convention to countries not listed in Annex VII (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No. 1013/2006) and

8.

the ban on the import of hazardous waste and other waste from a non-Party to the Basel Convention (Article 4(5) of the Basel Convention).