

KUKA



Declaration of Principles
on Respect for and Protection
of Human Rights

Contents

Basic approach and scope	3
Relevant human rights issues and potentially affected groups of people	4
Approach and measures in the implementation of human rights due diligence	5

Basic approach and scope

KUKA is one of the world's leading automation specialists and supports its customers in the holistic optimization of their value creation by providing comprehensive automation and digitalization know-how. We focus on our customers by dividing our operating activities into the five segments: Systems, Robotics, Swisslog, Swisslog Healthcare and China. The holding functions are pooled in the Corporate Functions segment, which mainly comprises KUKA AG.

As a leading international automation specialist, KUKA is aware of its responsibility for human rights due diligence. We are committed to respecting fundamental and internationally recognized human rights and to supporting their protection and observance. Our goal is to prevent risks associated with human rights and to minimize or end violations. This Declaration of Principles on Respect for and Protection of Human Rights is binding for all employees in the KUKA Group and in all companies controlled by KUKA.

We meet this responsibility by taking measures to improve working conditions in our supply chain. We expect our suppliers to commit to respecting human rights and to comply with appropriate due diligence processes. We have summarized our expectations of our

business partners in the Code of Conduct for Business Partners. The success of our measures is largely based on our ability to influence the supply chain. In our own business operations, we have clearly formulated our expectations of our employees. We have defined standards of conduct which are applicable across our Group and have created binding rules that are to be lived out by all employees in the Group. In doing so, our corporate actions align with the internationally recognized United Nations Guiding Principles on Business and Human Rights and thus implement the requirements of the German Act on Corporate Due Diligence in Supply Chains ("Supply Chain Due Diligence Act"). In addition, our understanding of human rights and the associated due diligence processes are based on the following international standards:

- » United Nations Universal Declaration of Human Rights
- » Core labor standards of the International Labor Organization (ILO) with their five basic principles on freedom of association and the right to collective bargaining, the elimination of forced and child labor, the prohibition of discrimination in respect of employment and occupation, and occupational health and safety
- » OECD Guidelines for Multinational Enterprises

We are also guided by the UN Sustainable Development Goals (hereinafter "SDGs"). Of the SDGs that are relevant for KUKA, five have been identified as fundamental in terms of our human rights due diligence obligations:

- » Quality education (SDG 4)
- » Decent work and economic growth (SDG 8)
- » Industry, innovation and Infrastructure (SDG 9)
- » Reduced inequalities (SDG 10)
- » Responsible consumption and production (SDG 12)
- » Climate action (SDG 13)

In our Code of Conduct as well as in our Corporate Compliance Manual, we clearly set out our expectations of all employees in the KUKA Group and also provide basic recommendations for action. Our employees must familiarize themselves with the contents of both documents and comply with them.

Relevant human rights issues and potentially affected groups of people

We are committed to respecting internationally recognized human rights, with an emphasis on our due diligence processes concerning human rights and the environment. Thanks to an annual risk analysis, we identify (potential) risks that arise directly or indirectly from our business activities at our sites as well as in our global supply chains and value chains and that have a negative impact on people and the environment. Specific requirements for a risk management system in the global purchasing departments have been defined in a Group policy. This also includes conducting an annual and event-related risk analysis and taking preventive and remedial measures. The risk analysis provides indications of possible future events. Based on the results of the risk analysis, KUKA takes (additional) preventive measures to avoid and prevent human rights risks in their own business area and at their direct suppliers. If violations are identified or reported, appropriate corrective measures must be initiated.

In our global value chain, risks may arise that are directly or indirectly related to our business activities and could have a negative impact on people and the environment. In our own business area as well as in our value chain, we see risk factors particularly in occupational health and safety and in protection against health hazards, working conditions and discrimination.

The following groups of people in particular could be at risk along our global supply and value chains:

- » Our own employees worldwide
- » Employees of business partners, particularly in our supply chain
- » Groups of people with an indirect link to our supply chain (e.g. local communities such as residents near our locations)

We have summarized the most important principles relating to the aforementioned risks in our [Code of Conduct for Employees](#) and in the Code of [Conduct for Business Partners](#):

Occupational health and safety and protection against health risks

General awareness of occupational health and safety not only serves to protect the health of employees, but also affects the success of our company. As a result, occupational health and safety as well as the protection and promotion of our employees' health are top priorities for us. We promote good working conditions and are committed to respecting internationally recognized human rights. Our goal is to prevent operational incidents and illnesses.

This is why we comply with applicable industrial safety laws, health and safety regulations worldwide and thus limit work incidents and adverse health effects¹.

All activities in the company are subject to high safety standards. This includes appropriate workplace design and the provision of suitable personal protective equipment. We prevent incidents and work-related health hazards by implementing preventive controls, emergency measures, an accident reporting system and other measures, such as fire and disaster prevention, in order to improve continuously. Our employees are adequately trained and instructed accordingly. We involve employees and, where present, their representatives in occupational health and safety issues.

Fair compensation

Fair pay is a sign of appreciation and motivates employees. We ensure that our compensation system does not differentiate between the sexes, because the equal treatment of all employees means that compensation is based solely on performance and competence. Our employees receive fair wages and salaries. It goes without saying that we comply with the respective statutory minimum wage regulations and, where present, existing collective wage agreements². If there are no statutory or collectively agreed regulations, we are guided by industry-specific as well as local compensation requirements in order to ensure an appropriate standard of living for our employees and their families. Our employees are informed clearly, in detail and regularly about how their pay is structured.

Protection against discrimination

Equal treatment of all employees is one of our core values. We promote equal rights, equal opportunities and do not tolerate any kind of discrimination³. All employees are valued and must never be discriminated against based on their ethnicity or history, social background, gender, religious beliefs or ideology, age, political opinions, physical or mental disability, or sexual orientation. Diversity is an important factor to success for an international company like KUKA. We treat our employees respectfully. We want our employees to work in a healthy, safe, and fair environment, one which is characterized by tolerance and acceptance and is free of deliberate and unconscious bias. Sexual harassment and any other form of bullying is not tolerated. The privacy and dignity of others must be respected at all times.

Approach and measures in the implementation of human rights due diligence

Preventive measures to prevent violations are firmly anchored through our [corporate compliance program](#). With our Compliance Management System and our internal policies, we want to ensure that KUKA does not cause, allow or participate in any negative impacts on human rights through its business activities. To this end, our corporate compliance program and policies are regularly reviewed and updated as necessary. In the event of legal infringements, it is not only KUKA as a company that faces negative consequences. Improper behavior can also lead to serious legal consequences for our employees. Compliance violations or suspected violations can be reported to us via our [whistleblower system](#). Incoming complaints are carefully reviewed and evaluated. Appropriate corrective action will be taken in the event of violations.

As a result, we make our employees aware of the necessity to comply with human rights principles in their operational activities through regular compliance training. The training measures are offered in different formats. These include computer-supported learning methods (e-learning) and worldwide classroom training on selected topics as required on specific occasions. Beyond this, there are plans to provide specialist departments with training on human rights which are specifically tailored to their needs. For example, the global purchasing departments were trained on supply chain management guidelines.

We have described our requirements for our employees in detail in the Corporate Compliance Manual and in our Code of Conduct. Furthermore, additional internal guidelines, such as the guideline on occupational health and safety and environmental protection, clarify the framework for responsible behavior. We expect our managers to live out and promote our core values. After all, respect for human rights is fundamental to our global business activities.

Due diligence obligations in the supply chain

Likewise, we expect our suppliers to respect internationally recognized human rights, and we require them to comply with our human rights standards. To this end, KUKA works with a binding Code of [Conduct for Business Partners](#), and those responsible for purchasing must ensure it is agreed to.

The Code of Conduct for Business Partners is aligned with KUKA's corporate values and includes, among other things, the promotion of human rights as well as good working conditions and the protection of the environment. Other essential components include compliance with and dissemination of the contents of the Code of Conduct by suppliers to their subcontractors.

New suppliers are subject to a segment-specific onboarding process. Beyond this, we either request further details via specially developed questionnaires or use an online platform for this purpose. If this questioning or our annual risk analysis identifies any anomalies, we take further steps by talking to the supplier and also conducting on-site audits within the scope of supplier audits.

Responsibilities

We have defined clear responsibilities for maintaining and complying with due diligence obligations. The specialist departments in each segment are responsible for compliance. Furthermore, KUKA has set up a Human Rights Committee in which each segment is represented by at least one Human Rights Officer. The Human Rights Officers are the contact persons for human rights issues within their segment. Together with a representative from Risk Management and a representative from Corporate Sustainability, the Human Rights Officers form the Human Rights Committee. Among other things, the committee is responsible for monitoring compliance and

meets at least once a year. Overall responsibility for due diligence relating to human rights and the environment lies with the Management Board of KUKA AG.

Verification of the effectiveness

At least once a year as well as on an ad hoc basis, we will examine the effectiveness of our processes and whistleblower system for preventing human rights violations by, for example, reviewing the number of complaints reported. In our value chain, we check the effectiveness of measures through supplier evaluation and, if necessary, through supplementary supplier audits.


Complaint mechanism

We reject all forms of human rights violations. For us, appropriate and effective complaints management is therefore an important part of our due diligence processes. Violations or suspected violations can be reported to KUKA via the [Compliance System](#) and remedial action thus demanded. Various communication channels are available to the stakeholder groups for this purpose. Our stakeholders can either contact a Compliance Officer or report their concerns anonymously via a web-based platform or to an ombudsman who is not employed by the company and is thus independent. Employees also have the option of contacting their supervisor or the HR department.

Reporting

We report openly on the concerns of our employees as well as on our relationships with suppliers and other stakeholders. Paying attention to risks related to human rights violations is an essential part of our due diligence obligation. Beyond this, we provide information on our progress in protecting human rights and on fair working conditions as part of our sustainability report.

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Peter Mohnen


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¹ ILO Convention No. 155 and 187

² ILO Convention No. 111

³ ILO Convention No. 100