

Corporate Behaviour

# Our Code of Conduct



# Our core ethical principles

**Our understanding of ethical business practices is based on the 5 core principles:**



## **Employees**

«We treat our employees fairly and respectfully»



## **Customers**

«We are putting customers benefit on top of our objectives»



## **Shareholders**

«We are committed to sustainable performance with integrity»



## **Business Partners**

«We strive to be a trustful, fair and respectful business partner»



## **Society**

«We aspire to be a responsible corporate citizen»

The Kardex Code of Conduct lays down the binding general principles of ethical behavior for the Board of Directors, management and all staff of Kardex. The Kardex Code of Conduct is applicable to all business segments, subsidiaries and areas of activity of the Group.

Our Code of Conduct reflects our commitments to meet the expectations of our stakeholders as a responsible corporate citizen and it contains the fundamental principles and rules concerning ethical business conduct. Specific policies, guidelines and manuals will supplement the principles specified in the Kardex Code of Conduct.

The Kardex Code of Conduct forms an integral part of the terms of employment of all employees of Kardex. Kardex insists on full compliance and will not tolerate any misconduct. As a globally active industrial company, Kardex is confronted with various laws, cultures, manners and customs, and these can lead to situations of uncertainty. Whenever reasonable, Kardex shall respect the manners and customs of the countries in which it conducts its business.

It is the management's responsibility to make sure that all employees are aware of the Kardex Code of Conduct, understand it and act accordingly.

We thank you for your support and commitment to our Kardex Code of Conduct. Our combined efforts will enable us to better meet the needs of customers, to deliver sustainable performance and strengthen our reputation in the market as good corporate citizen.



**Felix Thöni**  
Chairman of the Board of Directors



**Eugen Elmiger**  
Vice-Chairman of the Board of Directors



# Employees

« We treat our employees fairly and respectfully »

## Fair working conditions

We commit to provide our employees fair and competitive wages based on performance and ethical conduct. We protect employees from unfair or unethical working conditions, including bonded, forced or child labor, or any unsafe working conditions.

## Protection of personal integrity, diversity and inclusion

We are committed to protecting the personal integrity of our employees and expect all hierarchical levels to be free from violence and harassment.

We treat our employees fairly and respectfully. We expect our employees to respect each other and we do not tolerate harassment, violence, bullying or discrimination. In our multicultural teams and in our working environment, we are committed to ensuring that no one is discriminated against or harassed, e.g. on the basis of nationality, origin, religion, belief, gender, age, sexual orientation or disability.

We want to create an inclusive working environment in which all employees can contribute regardless of their individual background. We believe that diversity plays a crucial role in our success. We therefore recruit talented employees with different backgrounds and an open mindset, support them in their development and retain them in the long term.

We respect the right of our employees to join a union and the right to collective bargaining, provided that local legal requirements are met.

## Employee development

Constructive dialogue between the employee and supervisor on goals, priorities and development needs is an essential part of the Kardex Performance Management Process. We offer opportunities for our employees to develop, grow and continuously improve individual skills to strengthen the competencies of Kardex as a whole.

## Freedom of opinion, speech and association

We respect the right of employees to choose to join an association, provided that local law is respected. Kardex engages in constructive dialogue with employees and their representatives.

We recognize that every employee is entitled to freedom of opinion, expression and speech, provided these do not interfere with the employees' ability to fulfill their job responsibilities or conflict with the Kardex Code of Conduct. All our dealings with one another shall be characterized by courtesy, fairness, openness and respect, and all our employees shall behave accordingly.



## Customers

« We are putting customers' benefit on top of our objectives »

### Customer benefit

We expect our employees in all areas of our business to focus on enabling better customer outcomes and providing innovative solutions to customer needs around the world, while adhering to the respective laws governing those activities. Compromising customer benefit is not an option.

### Product quality and safety

We discover, develop and manufacture high-quality products that meet all regulatory requirements, and pursue quality beyond compliance in both our products and processes.



## Shareholders

« We are committed to sustainable performance with integrity »

### Financial integrity

We do not compromise our financial integrity. Financial risks and operational measures must be appropriately reviewed and approved. We provide timely, accurate and complete financial information to our shareholders and financial markets.

We maintain effective controls over financial reporting to ensure a complete and accurate record of our financial transactions. Employees must not trade shares or other securities on the basis of material non-public information.

### Business continuity

We believe that business continuity management is critical for our customers, employees and other stakeholders, and is part of responsible management practice. In the event of an emergency or significant business disruption, we are committed to doing our utmost to ensure uninterrupted supply of key products and services.

## Safeguarding corporate assets

We work to protect assets of Kardex against threats. This applies to our employees, reputation, intellectual property, information, products, property and other assets.

We properly use and maintain assets of Kardex and ensure that they are protected from misuse, loss, theft and waste. All Kardex assets must be used for legitimate business purposes. We protect our investments in intangible assets by obtaining, enforcing and defending intellectual property (IP) rights and by maintaining confidentiality of sensitive information. We also respect legitimate IP rights of others.

IP created, developed or obtained by employees and related to their employment belongs to Kardex.

## Information security

We protect the confidentiality, integrity and availability of critical information, regardless of its form and location. Kardex' archives are also maintained properly and in compliance with the relevant legal provisions. Business documents are a valuable company asset and must therefore be handled with the requisite care.

All business documentation (including documentation created by employees in the course of their employment) is the sole and exclusive property of Kardex and may not be used by any employee for any illegal purpose.



## Conflict of interest

Personal interests must not influence our business judgment or decision making. Employees must disclose actual or potential conflicts of interest to their supervisor. Newly hired employees are requested to disclose any actual or potential conflicts of interest before they begin employment.

No employee may abuse their position, their knowledge of confidential information or the property of Kardex to their personal advantage, nor give preferential treatment to any individual internal or external person or company known to them which is not in line with Kardex' Group internal regulations.

All situations which could lead to a conflict between the interests of Kardex and the private interests of its employees must be avoided. In the event of uncertainty, a discussion must be sought between the employee and the employer, in which both parties should seek to resolve the issue in good faith.



## Business Partners

« We strive to be a trustful, fair and respectful business partner »

### Commitment to all laws and regulations

We comply with all laws and regulations applicable to our activities. We also implement and comply with our internal policies.

The management is responsible that all employees are aware of the rules and regulations which are relevant to their business activity. In view of the international nature of its business activities, Kardex is confronted with a wide range of legal frameworks and parameters. In certain individual cases, different views and scope for interpretation may exist on legal compliance issues. In such cases, Kardex will respect the legally valid and binding rulings of the courts responsible.

### Customer satisfaction

We strive for the highest customer satisfaction. We listen to our customers and create solutions that add value and create mutual benefit for them and for Kardex.

### Anti-bribery and anti-corruption

We do not tolerate any form of bribery or corruption neither in connection with public officials nor with private persons.

## Gifts, hospitality & entertainment

Gifts, hospitality and entertainments are generally acceptable ways of fostering a business relationship. In the competition for customers and markets, however, we want to be successful solely on the basis of the quality of our products and services as well as the trust placed in us.

Gifts, hospitality & entertainments may therefore not be offered, promised or granted with the intention of improperly influencing business decisions. They must be in line with valid laws and local regulations and be proportionate to the occasion, position and function of the recipient. Particularly critical are gifts, hospitality and entertainments just before a business transaction is concluded or during tendering processes. Cash gifts may not be given under any circumstances.

## Fair competition

We are committed to fair competition and will not breach competition laws and regulations. Antitrust law may on no account be violated. Any such violation may result in substantial fines for Kardex and in fines or prison sentences for its employees. In particular, price-fixing among competitors (verbal, written or in any other form), market allocation and any other practices which may inhibit free competition are prohibited.

## Third party integrity

We expect third parties with whom we work to comply with the law, to adhere to ethical business practices, and to observe our standard requirements concerning labor, health, safety, environmental protection and management systems.



## Society

« We aspire to be a responsible corporate citizen »

### Corporate citizenship

We understand our role in society as an organization contributing to positive social, ecological and cultural developments.

### Transparency

We are open and transparent with respect to our business principles and practices and comply with applicable laws and regulations.

### Human rights

We respect human rights in all our business activities, especially in geographical areas where human rights are not yet adequately protected.

We are committed to ensuring that activities within our sphere of influence do not adversely affect the fundamental human rights set out in the United Nations Universal Declaration of Human Rights and the core conventions of the International Labor Organization, either directly or through business relationships.

We are committed to upholding the fundamental principles and rights at work as set out in the core conventions of the International Labor Organization (ILO). We pursue a strict zero-tolerance policy towards child labor and any form of forced or punitive labor, modern slavery, debt bondage or human trafficking.

Our business partners must exercise due diligence to promote responsible raw material supply chains to protect human rights in conflict regions. We therefore require our business partners to source only conflict-free minerals, in particular tin, tantalum, tungsten, gold, their ores and metals alloyed with such minerals.







## Health, safety and environment

We systematically identify and manage health, safety and environmental risks in our activities and across the entire value chain of our products and services.

We cultivate and promote a culture that proactively takes safety aspects into account. We use natural resources sparingly and minimize the impact of our activities and products on the environment and biodiversity throughout their life cycle.

We are committed to curbing climate change and are actively working to reduce direct and indirect CO<sub>2</sub> emissions.

We comply with statutory substance bans, restrictions and declaration obligations as well as the relevant standards regarding substances of concern (in particular regarding mercury according to the Minamata Convention, persistent organic pollutants according to the Stockholm Convention and hazardous waste according to the Basel Convention).

## Data privacy

We respect the privacy rights of our employees, customers, and other stakeholders. Kardex does not divulge any confidential information about its customers, employees or business partners unless such divulgences required by law. Personal data may not be acquired by illegal means. Any processing of personal data must be of a reasonable extent to conduct business. Kardex shall also provide the technical and organizational means required to ensure that personal data is protected against unauthorized processing.

No employee may pass on any confidential information or business secrets of Kardex to any third party (including family members or friends), nor use such information or secrets for any inadmissible purpose. The above obligations shall continue to apply following any termination of employment with Kardex. All documents and any other data carriers containing confidential information shall be returned to Kardex upon termination of employment.

## Implementation

The management is responsible that the actual version of the Kardex Code of Conduct is communicated and trained in an appropriate form and frequency. The management is available for any consultation in relation to the Kardex Code of Conduct and its applicability and understandability in particular.

## Breaches

Breaches of the Kardex Code of Conduct will not be tolerated and can lead to disciplinary action up to and including termination of employment.

Such disciplinary action may be taken not only against persons violating the Kardex Code of Conduct, but also against any employees who consciously permit such violation or who attempt to influence or penalize subordinates for communicating such violations.



## How to deal with potential misconduct

Employees or any other stakeholder who report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliatory action. Misconduct is any conduct that violates the Kardex Code of Conduct and pertinent policies and/or external law or regulation. All employees are obliged but also other stakeholders are entitled to bring potential misconduct to the attention of Kardex.

Employees with knowledge of potential misconduct, or employees receiving a report of misconduct, shall preferably notify their superior without further disseminating the relevant information. If your superior is part of the issue or a trustful relationship is not given, report the issue to the local Human Resource representative. Alternatively, if you want to report anonymously, you can report directly via the whistleblowing platform, which is processed jointly by the Head of Corporate HR and Senior Director Legal & Compliance as case managers. This platform may also be used by stakeholders outside Kardex who want to report potential misconduct.

The whistleblowing platform makes it possible to report completely anonymous, to uncover and investigate reported misconduct in a confidential manner and is accessible via [www.kardex.integrityline.com](http://www.kardex.integrityline.com)

All reports are treated in strict confidence, and will not result in any disciplinary action against the person making them, even if the alleged violation proves unfounded in the subsequent internal investigation. In contrast, however, any violation of the Kardex Code of Conduct by the person making such communications, and any intentionally falsified claim of such violation (such as malicious and improper accusations) will result in disciplinary action.

## Applicability

This Kardex Code of Conduct has been approved by the Board of Directors of Kardex Holding AG and is binding for all employees of Kardex.

The Kardex Code of Conduct is available in multiple languages. In the event of any discrepancy or ambiguity in interpretation, the English version shall be considered the binding version.

