



Compliance

UK Modern Slavery Act



UK Modern Slavery Act

British law against modern slavery (Modern Slavery Act 2015); statement on the company's guidelines and basic principles

This statement refers to the following KHS companies (collectively KHS):

- KHS GmbH and KHS Corpoplast GmbH, based in Germany, and
- KHS UK Ltd., based in England.

KHS supports the objectives named in the UK's Modern Slavery Act 2015 and worked towards implementing the provisions thereof even before the law came into force. This statement has been drawn up with and approved by the Executive Management Board of KHS and the Board of KHS UK.

Who we are About KHS

Our company is one of the world's leading suppliers of packaging and filling technology for products in glass bottles, plastic bottles, kegs and cans.

Our portfolio includes filling and packaging systems for water, beer, soft drinks, juice, wine and highly sensitive beverages and dairy products. Our company's core competence lies in the development and production of both single machines and complete lines.

Our products include machines that manufacture plastic bottles, fillers, labelers, packers and palletizers. Conveying systems for various types of packs and containers complete our portfolio of products and systems.

Our service constitutes a further and extremely decisive area of business with our customers. With a network of over 40 service offices in 35 countries and increasingly through remote diagnosis using our ReDiS remote maintenance tool and the Internet we can ensure reliable regional support in nearly all cases. After all, smooth production is an absolutely crucial factor for our customers.

In addition to its factories in Germany KHS maintains production sites in the United States, Mexico, Brazil, China and India.

You will find further information at: www.khs.com/unternehmen/portrait/compliance

What we are doing to implement the Modern Slavery Act 2015 – also in our supply chain

Just like its parent company Salzgitter AG KHS works to a code of conduct, adherence to which is compulsory worldwide.

Similarly, in 2015 we issued a code of conduct for suppliers which is of a binding nature for our suppliers and our own Purchasing Department. KHS also stipulates that its business partners implicitly observe these basic principles.

The respective objectives of the UK's Modern Slavery Act 2015 are included therein. There is a specific focus on human rights in general and equal participation. Further concrete issues addressed herein are bans on forced, slave and child labor, discrimination and human trafficking, the equal participation of all people and the observance of collective and minimum wages.

Excerpt from the introduction to our code of conduct for suppliers

“As an internationally successful company focusing on beverage applications and turnkey systems we allow ourselves to be clearly guided by the following values: quality, customer orientation and innovative strength.

We attach great importance to providing top-quality, technologically innovative systems for the long-term economic success of our customers.

In endeavoring to achieve our goals, we find it important to act responsibly towards society and the environment in a way that ensures economic success.”

These standards are of a binding nature for us, our business partners and especially our suppliers all over the world.

How we are implementing the objectives

Assessment, audits and sustainability

Above and beyond our own system of quality management KHS and its production sites are subjected to regular external audits as part of the SEDEX initiative. For its part, under its code of conduct for suppliers KHS has the right to audit suppliers in the event of any violations and to carry out investigations on site. As part of our quality management system suppliers are regularly visited and assessed in the course of random checks. In all cases the provisions of the UK's Modern Slavery Act 2015 are harsh assessment factors. In the event of serious violations and/or those which cannot be remedied we terminate our business relationship.

In addition to the above, KHS GmbH has successfully undergone a voluntary audit according to IDW PS 980.

We judge ourselves by the same standards which apply to our business partners and especially to our suppliers.

Violations are met with a zero tolerance policy by KHS.

Training courses

KHS trains its personnel on issues relating to compliance both online and in classroom courses. Besides the various legal provisions, specifically the observance of external legal national, international and internally valid regulations, we attach great importance to full integrity and the possible external assessment as to whether our actions satisfy our demands and conform with our values. In the compliance training courses held by our compliance representatives the provisions and objectives of the Modern Slavery Act 2015 are also addressed on the basis of our code of conduct.

Our Compliance Office in Germany would be pleased to answer any queries you may have on this matter.

How violations can be reported

Violations can be reported to any contact at KHS. This person then passes on the information through his/her superior to those responsible at KHS and the Salzgitter Group.

Suspicious in conjunction with the activities of the organization and its business partners, including all activities which may harbor the risk of slavery, servitude, forced or compulsory labor or human trafficking, can be reported to the respective executive manager, the compliance officer at KHS GmbH, Internal Auditing and the Compliance Committee at Salzgitter AG or to an employee representative.

K. Acker

Chairman of the Executive
Management Board
KHS GmbH

T. Karell

Managing Director
KHS Corpoplast GmbH

A. MacEwan

Managing Director
KHS UK Ltd.