

## Norway Transparency Act 2022 Statement- Swisslog AS

### 1. OPENING STATEMENT FROM SENIOR MANAGEMENT

Swisslog AS believe that respecting human rights and ensuring decent working conditions is the correct way of conducting business as we promote an ethical culture where our employees and business partners do the right things in the right way.

This statement is created, according to the Transparency Act of 1<sup>st</sup> of July 2022, to show the public how we work with human and labor rights, and what risks and opportunities we have in our business and supply chain. This statement includes an overview of our organizational structure and operation, method used for ESG-assessment of human rights and working conditions risks, and the identified local risks with measures.

### 2. ORGANIZATIONAL STRUCTURE AND SUPPLY CHAINS

#### 2.1 Operations

Swisslog AS is a wholly owned subsidiary of KUKA AG, and operates in Norway within the Consumer Goods and Logistics Automation sector, employing approx. 70 employees in Norway. Swisslog AS do not operate any subsidiary companies. The following web links provide more information regarding the nature of our business.

[www.kuka.com](http://www.kuka.com)  
[www.swisslog.com](http://www.swisslog.com)

#### 2.2 Supply Chains

Our business requires that we work in conjunction with a range of suppliers, both internally within the KUKA organization and external suppliers, mostly based in the EU. Supplies from within the KUKA organization cover material handling equipment developed by the organization, as well as technical and commercial services from within the KUKA group. In addition we purchase equipment from third party organizations for inclusion in our overall scope of supply, together with technical and commercial services used in our solution services and in support of our operation. This includes purchasing of material and products for racking, third party machines and services (mechanical and electrical installation services) to assembly and maintain these.

To support our operations we have a purchasing department that stewards the acquisition of materials and services from third parties. IntegrityNext is our platform for supplier assessment, that enables us to monitor our suppliers in order to meet regulatory requirements and reduce risk. IntegrityNext is used as a basis for purchasing to evaluate and approve suppliers, in addition to performing risk based supplier audit where identified. The IntegrityNext platform manages the suppliers self-assessments and certificates regarding all ESG aspects, while also monitoring suppliers issues and risks on social media. Topics there are covered are human rights and safe working conditions (in accordance with ILO Conventions No. 29, 87, 98, 100, 111, 138, 155, 182).

### **3. HUMAN AND LABOR RIGHTS RISKS AND WORKING CONDITIONS RISKS**

#### **3.1 Account of Due Diligence Assessment, description of risks and measures**

For the purpose of preparing this statement an ESG risk analysis was initiated by KUKA and performed by "Stakeholder Reporting" for all legal entities within Swisslog in 2022. The methodology for the risk assessment is based on the country specific risk for Norway, adding specific risks for our type of business (operations and suppliers) and evaluate the net risk after taking into account measures implemented in our organization (policies, procedures and guidelines).

We maintain a commitment to safeguarding the health and Safety of our employees, personnel in projects and the public, responsibly managing our social impacts, and upholding respect for human rights in our operations and supply chains.

In our operation within Swisslog AS we do not utilize forced or compulsory labor. All of our employees are above the legal employment age in Norway and have working conditions, wages and benefits that comply the applicable laws and regulations. The majority of our employees are employed as technicians with professional certificates in automation or industrial mechanics. We also have a great number of employees with a higher level of education within technical sales, project management, electrical- and mechanical engineering and administrative positions. We see a potential risk relating to working hours for employees with particularly independent positions where working times are administrated by the individuals themselves.

Table 1: Description of risks, identified within our business and supply chain regarding human and labor rights and decent working conditions, as well as measure we have in place to mitigate these risks.

Human right and decent working conditions	Risks	Measures
<p>Right to safe, healthy and decent working conditions free from bullying and harassment</p>	<p>We recognize there is a health and safety risk related to the type of work we do at our System Operations Sites and in our Field Service department servicing customer sites (maintenance and repair of machinery) and in our operations at Project Sites for own employees and subcontractors (installation and commissioning). Our office workers have risk related to ergonomics and display screen use (prolonged sitting time, screens/blue light etc. There is also an inherent risk of psychosocial hazards related to bullying and harassment at offices and site.</p> <p>For employees of foreign subcontractors we see a risk regarding health and safety training and competence, and a risks related to knowledge of hazards and cultural differences when it comes to risk perception.</p>	<p>Health and Safety is a top priority and we have strong focus on continuous improvement at all levels of the organization through follow up of our safety and management system, improvement of safety culture through regular safety climate surveys, internal risk assessments and audits and supplier audits. We have processes and a health and safety management system according to ISO 45001, and Swisslog AS are in 2023 applying for the certificate. We continuously monitor laws and regulation to ensure legal compliance, and we have systems in place to cover all aspects of a H&amp;S management system, and to manage risks in ways that allows a good prioritization. See chapter 4 Corporate compliance manual and Code of Conduct.</p> <p>All suppliers are required to comply to the supplier code of conduct and submit information through IntegrityNext. At Swisslog project sites we have established site management procedures regarding health and safety.</p>

Human right and decent working conditions	Risks	Measures
<p>Right to decent and fair employment conditions and work/life balance</p>	<p>Swisslog is promoting decent and fair employment conditions including wages and benefits. We see a potential risk for not achieving a work/life balance for employees that have particularly independent positions where the time and distribution of hours are administrated by the indivial employees themselves.</p> <p>We recognize in our industry (construction industry that there is a general risk for non-decent payment and social dumping (poor salary and working conditions in our supply chain, that is relevant for employees of subcontractors of Swisslog.</p>	<p>All employees of Swisslog have employee agreements. Our internal HR handbook provides information on legal requirements regarding working hours and overtime, and leadership training within such topics. To ensure equality we use the Hay Salary Grade system for fair compensation. Swisslog has a wellbeing program, which includes training and wellbeing surveys to detect risks and further plan for measures. A smart working policy is in place to provide employees with more flexibility.</p> <p>IntegrityNext supplier assessment are performed to evaluate suppliers according to human and labor rights, see chapter 4 Sustainability in the Supply Chain. In addition, to meet this challenge, we have included in all our suppliers contracts information regarding the regulation on minimum salary for relevant trades to ensure familiarity of the Norwegian requirements. Swisslog has the right to perform audits on suppliers employment conditions according to "Regulations on information and security obligations and rights of access" in case of suspicion.</p>
<p>Right to be treated fairly and without discrimination</p>	<p>We see this as an inherent risk to all kinds of businesses, including Swisslog AS. In Swisslog we do not accept discrimination on the bases of race, gender, sexual preference or any other grounds.</p>	<p>Code of conduct, see chapter 4. Supplier code of conduct, see chapter 4.</p>
<p>Right to form and/or join trade unions and collective bargaining</p>	<p>Swisslog AS is respecting employees' rights to form and/or join trade unions and collective bargaining.</p>	<p>The rights are stated in our Code of conduct (KUKA) for Swisslog employees.</p> <p>Our "Code of conduct for Business Partners" are communicated to suppliers through our purchasing department, and includes a section regarding the right to form and/or join trade unions.</p>

Human right and decent working conditions	Risks	Measures
Right to privacy for those who entrust us with their personal information	There is a risk of personal data being lost in a cyber-attack and sometimes unlawful storage of privacy data.	Swisslog handles personal data in line with the EU GDPR regulation.

KUKA and Swisslog have a anonymous and confidential whistle blower channel to raise concerns for non-compliance, that may be used by employees and external parties, including clients, business partners, suppliers and other representatives of Swisslog. The channel is available through the KUKA website, and the procedure is described [here](#).

#### 4. POLICIES AND DIRECTIVES RELATING TO HUMAN RIGHTS AND WORKING CONDITIONS

The following policies and directives exist within our organization which demonstrate our commitment to respecting human rights and ensuring decent working conditions:

- [KUKA and Swisslog Corporate Compliance Manual for members of the executive board, CEOs, executives, employees, authorized representatives and suppliers of KUKA worldwide](#)  
The KUKA and Swisslog Corporate Compliance Manual includes details of our Corporate Compliance Program together with the associated Group Policies.
- [KUKA & Swisslog Code of Conduct](#)
- [KUKA & Swisslog Code of Conduct for Business Partners](#)
- [Sustainability in the Supply Chain](#)
- [KUKA Guideline for Personnel Policy \(2021\)](#)
- Local HR handbook for Swisslog AS – an internal document that contains information, according to Norwegian law regarding:
  - Equality and Diversity
  - Family Leave
  - Flex time
  - Flexible working
  - Benefits
- Local Health & Safety Manual for Swisslog AS – an internal document describing health & safety processes and procedure for how to work safely, proactively and to ensure continuous improvement.

## 5. FURTHER MEASURES FOR RISK MITIGATION

Based on the due diligence conducted by the company for own operations, Swisslog has concluded that the business conducted in Norway entails a limited risk of potential negative consequences on fundamental human rights and working conditions.

Swisslog AG (group) achieved, in 2020, the bronze standard of Global EcoVadis Sustainability Rating. We aim to achieve the EcoVadis Silver standard by 2024.

We recognize for our supply chain, in terms of sub contractors, that there is a general human rights risk within the industry in terms of working hours and minimum wages. We have processes and systems in place to identify and mitigate the risk, however we see a need to further strengthen the awareness of the issue within our own organization to better meet the challenges within the industry for these types of risks. We will continue to screen our suppliers and work actively with the IntegrityNext platform to strengthen our evaluation and approval process of suppliers and sub-contractor, to further improve the selection criteria and performance of supplier audits and thus reducing the risks related to human rights and decent working conditions .

## 6. REQUESTS FOR INFORMATION

All information requests and further questions regarding the topic can be directed to [nordic@swisslog.com](mailto:nordic@swisslog.com). Time of response may be up to 3 weeks from received request.

  
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Swisslog AS