



Statement on modern slavery and human trafficking 2024

Data Classification: Public

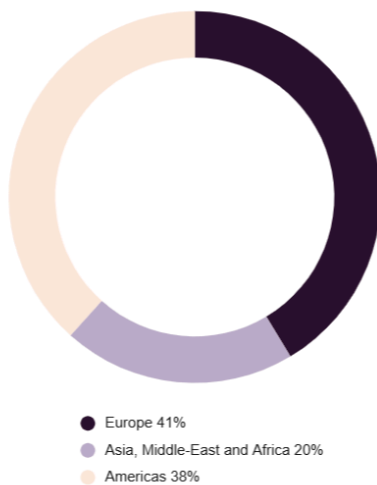
This Statement describes the steps Kalmar is taking to prevent modern slavery and human trafficking in its operations and supply chain, in accordance with the United Kingdom's Modern Slavery Act 2015. This statement covers Kalmar's global operations and supply chain during the 2024 financial year.

About Kalmar

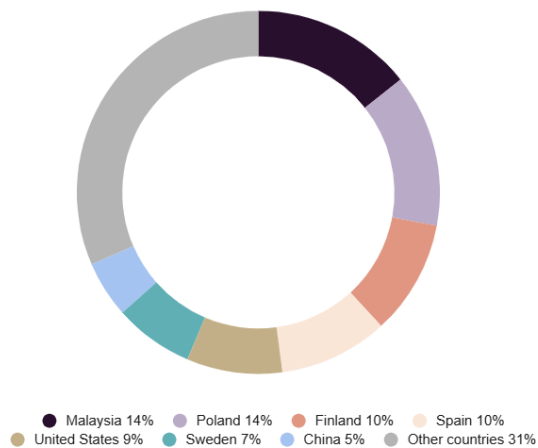
Kalmar operates in the global heavy material handling market and offers a wide range of material handling solutions, including equipment and services, to ports and terminals, distribution centres, manufacturing and heavy logistics. Kalmar’s head office is located in Helsinki, Finland, and in 2024, our sales totaled EUR 1,720 million. Of the sales, approximately 2 percent originated from the United Kingdom.

Kalmar has a global delivery footprint within critical value chains operating in Europe, North America, Latin America, Middle East and Africa, Asia and Oceania. Our business model is based on an asset-light and mainly assembly-only production footprint and Kalmar has four assembly sites, located in Poland, the United States, Malaysia and China, and two separate innovation centres, located in Finland and Sweden. Kalmar has sales in over 120 countries and legal entities in more than 30 countries. At the end of the year, we employed approximately 5,200 people.

Sales by destination



Employees by Country



Kalmar’s production and assembly processes depend on the availability and timely supply of large quantities of raw materials, components and finished goods from third-party suppliers. Kalmar is working with approximately 1000 direct suppliers and over 7000 indirect suppliers. Kalmar’s principal materials and components used in its various manufacturing processes include steel and steel structures, motors, electronic components, electric controls and cables, tires, hydraulics, drive trains, batteries and a variety of other commodities and mass-produced parts. Kalmar and its suppliers source materials and components used in Kalmar products from suppliers located in different parts of the world.

Kalmar is committed to respecting human rights within its operations and value chain, including complying with national and international laws and regulations. We recognise that Kalmar’s business may be linked to modern slavery in the value chain, especially in the supply chain, and we are committed to addressing any such cases to the best of our ability. Freedom from slavery is a basic human right and we set clear expectations to our employees and suppliers for respecting human rights. We want to be a good corporate citizen in every jurisdiction we operate in and to be a safe and trusted partner to all our stakeholders.



Implementing international standards

Kalmar is committed to the principles of the International Bill of Human Rights, UN Global Compact, OECD's guidelines for multinational enterprises, the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. These commitments are reflected in Kalmar's policies listed below:

1. Kalmar's Code of Conduct sets the foundation for our corporate culture and establishes high standards for how we do business and behave in our daily work. It covers environmental, governance and social topics, including human trafficking, child and forced labour. The Code of Conduct applies to all employees, directors and third parties acting on behalf of Kalmar and is publicly available on kalmarglobal.com.
2. Kalmar's Sustainability Policy's section on human rights describes our high-level approach to human rights due diligence, including remedy for adverse impacts on people and engagement with affected stakeholders. It includes a commitment to respect internationally recognised human rights throughout our value chain and to engage with impacted people to ensure adequate remedy.
3. Kalmar's Employment policy, which complements the Kalmar Code of Conduct, defines the company's basic employment principles and workplace practices. The policy applies to all Kalmar employees worldwide, and its enforcement is subject to local legislation.
4. Kalmar's Business Partner Code of Conduct (BPCoC) covers partners in all parts of the company's value chain, with more focus on the supply chain. It includes requirements for Kalmar's partners and suppliers related to human rights and prohibits all forms of modern slavery, including forced and child labour and human trafficking. We expect our business partners to follow sustainable business practices, comply with laws and regulations and respect international human rights.

All Kalmar employees are required to complete a mandatory Code of Conduct e-learning training, which includes topics on respecting human rights. The training highlights our basic requirements for all employees. For example, all employees are expected to understand how to recognize potential human rights risks in their daily work and decision-making, and know how to report any adverse impacts. In 2024, 93 percent of Kalmar employees completed the training.

Identifying risks

Kalmar's human rights work focuses on identifying and addressing risks and negative impacts on people in its operations and value chain, in line with international standards for human rights due diligence. In 2024, Kalmar conducted its first human rights impact assessment to identify impacts (actual and potential) caused by the company; impacts that the company contributes to; and impacts that are directly linked to its operations, products or services through business relationships. The assessment covered Kalmar's value chain and followed the framework of the UN Guiding Principles for Business and Human Rights (UNGPs). The impact assessment was conducted with the support of an external expert organisation and with the collaboration of essential internal functions such as Sourcing, Human Resources, Ethics and Compliance, Sales and Dealer Management.



Within Kalmar's own operations, Kalmar has not identified operations at significant risk of incidents of forced labour or child labour. The company is aware that it has operations in certain high-risk countries (e.g. China, Malaysia), as well as groups of people that are at a higher risk of experiencing potential adverse human rights impacts, such as: migrant workers, women, and temporary and contractor workers. To prevent and mitigate any adverse impacts on people, Kalmar has implemented topic-specific practices, processes, training and communications.

While Kalmar recognises that risks related to modern slavery may exist in its own operations, we have determined that the greatest risk lies in the company's supply chain, due to its complexity and global reach. Therefore, we have taken a risk-based approach to addressing modern slavery by focusing our efforts on our supply chains. We have identified sourcing categories and suppliers whose products present the highest risk of containing critical minerals that may be linked to human rights violations in some geographical areas, such as China and the Democratic Republic of Congo.

Addressing risks

Kalmar's responsible sourcing focuses on identifying and mitigating sustainability risks in our supply chain, and we have included strict people-related sustainability requirements in our supplier onboarding and engagement processes. The policies and procedures supporting our sourcing process include:

- Kalmar's Business Partner Code of Conduct (BPCoC)
- Supplier approvals and contracting
- Supplier engagement and audits
- SpeakUp line (accessible to both internal and external stakeholders).

In our supplier approval process, new direct material suppliers must meet pre-requirements and pass an audit conducted by Kalmar before they can be approved as suppliers. The pre-requirements include committing to the BPCoC; a risk assessment conducted by Kalmar; and a supplier self assessment on a third-party platform. In the audits, approximately 20 percent of the checklist questions are related to the supplier's management of labour and human rights, health and safety, anti-corruption and the environment.

If any non-compliance of Kalmar's BPCoC is found during assessments or audits, the company decides on corrective measures and timeframes together with the supplier. The priority is always to collaborate with the supplier to improve their sustainability performance. However, if the partner is unwilling to take the mutually agreed corrective action, Kalmar has the right to not approve a new supplier or to terminate an existing contract

As part of our due diligence, we also request high risk suppliers to provide information on the smelters and refiners they work with. Kalmar aims to only use minerals in its products that come from Responsible Minerals Initiative (RMI) Conformant facilities that have successfully completed an assessment against the applicable RMI standard. We began this process in 2022 with the conflict minerals tungsten, tantalum, tin and gold – often referred to as 3TGs, and extended it in 2024 with cobalt and mica.



Grievance mechanisms and remedy

Kalmar employees can report their concerns and potential misconduct through a variety of channels, including to their own manager; local or group-level human resources; the Ethics & Compliance team; or through the company's SpeakUp line. Kalmar's SpeakUp line is an externally hosted reporting tool for confidential and, where allowed by applicable law, anonymous reporting. The SpeakUp channel can be accessed by both internal and external stakeholders to make reports. The SpeakUp line and reports filed through it are managed by Kalmar's Ethics & Compliance team. The company's annual mandatory Code of Conduct training is also used to raise awareness of the SpeakUp line.

Kalmar also requires in its Business Partner Code of Conduct that its suppliers and other partners maintain a reporting mechanism that gives their employees and other stakeholders an opportunity to raise concerns. Business partners must also ensure that appropriate procedures are in place to handle such cases, and be committed to correcting any non-compliance. Information on the existence of a grievance channel is requested in Kalmar's supplier self assessments. The matter is also checked during Kalmar's onsite audits of potential new suppliers and selected existing strategic suppliers.

Kalmar does not require that a person reporting a concern have proof of misconduct, but reports must be made in good faith. Kalmar never imposes sanctions or other retaliation measures on the reporting person unless a report has been made in bad faith, for example with the knowledge that its contents are false. Human resources supported by Ethics & Compliance is responsible for monitoring and reacting to attempts to retaliate against people who have raised a concern in good faith.

All reported cases are evaluated confidentially by Ethics & Compliance and investigated if needed. Kalmar determines remedial actions on a case-by-case basis. The Ethics & Compliance team advises relevant management and functional stakeholders (e.g., Internal Controls, HR, etc.) on appropriate corrective actions, such as improved controls, training, disciplinary actions or termination of third-party relationships. Appropriate actions are determined based on the details of the case, the needs of the affected person or people, aggravating or mitigating circumstances and local legislation. The Kalmar Leadership Team discusses compliance topics and reviews the need for remedial and/or corrective measures during the bimonthly Code of Conduct panels led by the Head of Ethics & Compliance.

Reported cases during 2024

Kalmar tracks the effectiveness of the SpeakUp channel by monitoring the variety and frequency of uses of the channel. The company also tests the channel's functionality in case of any occasional change to secure its proper function. During 2024, Kalmar's Ethics & Compliance team received 39 total reports or concerns of potential misconduct. These equated to 37 total reported matters (note that some reported matters have multiple reports). Of these reported matters, the team determined that 14 constituted cases and warranted investigation. In addition, during the year the team continued to investigate three cases opened prior to 2024. The 17 total cases covered issues, including sexual harassment, conflicts of interest, fraud, trade compliance, inbound corruption, bullying, workplace environment and cyber security. No cases were related to forced labour or human trafficking.



Monitoring our expectations for our suppliers

During 2024, Kalmar continued to follow up on the requirements of its Business Partner Code of Conduct (BPCoC), through the supplier self assessments and its supplier onboarding programme. To support suppliers with the lowest self assessment scores, Kalmar commissioned third-party onsite audits, focusing on human rights, with three suppliers during 2023. In 2024 Kalmar continued this work by re-auditing two of these suppliers and organising four additional audits. The audited suppliers received a tailored corrective action plan and are implementing them. The main improvement areas were related to health and safety, mostly emergency preparedness. In addition three of the audited suppliers were found to use monetary penalties as disciplinary means, and two also charged recruitment fees as a condition of employment. These cases were reported in Kalmar's upstream and are not aligned with Kalmar's policies nor with internationally recognised instruments. In 2025, Kalmar will follow up on the findings and the implementation of the action plans as well as continue the third-party audits of suppliers with low scores.

Signed by:



Sami Niiranen
President and CEO, Kalmar 31 March 2025

This statement has been approved by the Kalmar Board of Directors on 27 March 2025.

