KION GROUP

Sustainability Insights 2023

Complementary to
non-financial report 2023

We keep the world moving.

Disclaimer

The KION Group enhanced its approach for sustainability reporting in 2023 by launching two individual publications that go hand in hand with each other. The Sustainability Insights 2023 and the ↗ non-financial report (NfR) 2023 were developed in tandem to provide a comprehensive reporting on the KION Group's sustainability activities during fiscal year 2023.

In 2023, the KION Group transitioned from the sustainability report to the ↗ non-financial report 2023 in order to prepare for the Corporate Sustainability Reporting Directive (CSRD), including its incorporation into the KION Group annual report in the upcoming year. The ↗ KION Group 2023 non-financial report (NfR) meets the requirements of sections 315b and 315c in conjunction with 289c to 289e of the German Commercial Code (Handelsgesetzbuch, HGB) and the EU Taxonomy Regulation.

This KION Group Sustainability Insights 2023 builds upon the material reporting provided in the ↗ NfR and goes beyond regulatory requirements. It provides further facts and figures to professional stakeholders such as customers and rating agencies as well as public interest groups and, last but not least, to the KION Group employees.

Both reports show the sustainability progress of KION GROUP AG and its consolidated subsidiaries (collectively: the 'KION Group' or the 'Group') during the reporting period from January 1 to December 31, 2023 (fiscal year 2023) (→ About the Sustainability Insights). The ↗ non-financial report as well as the Sustainability Insights are created with reference to the standards of the Global Reporting Initiative (GRI) and aligned with the requirements of the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The corresponding indices can be found in the → Annex.

Selected highlight figures

€11.4 bn
Revenue[1]

€314.4 m
Net income[1]

42,325
Employees[2]

5.2
Lost-time Injury Frequency Rate[3] (LTIFR)

91.1%
Share of electric powered vehicles sold (ITS segment)

14,940 kt
CO_2e GHG emissions Scope 1, 2, 3[4]

1 For further information, please refer to the 2023 annual report, including the consolidated financial statements (consolidated income statement) and management report (research and development).

2 Full-time equivalents (FTE) as at balance sheet date 31/12/.

3 Occupational accidents of active employees with one or more working days lost per million hours worked.

4 Greenhouse gas emissions in thousand tons CO_2 equivalents (CO_2e), scope 2 market-based, scope 1 and 3 location-based (details on methodology in respective report section). Fiscal years 2021 and 2022 have been recalculated retrospectively considering further scope 3 categories (details in respective report section) as well as methodology and data base enhancements, e.g. by refined emission factors. Changes in scope 3 greenhouse gas emissions compared to reported values in the sustainability report 2022: for fiscal year 2021: +2.4% and fiscal year 2022: −1.4%.

Valeria Jimena Gargiulo
Chief People & Sustainability Officer (CPSO) of KION GROUP AG

Foreword

Dear Ladies and Gentlemen,
As one of the global leaders in intralogistics, we embrace the enormous potential and particular responsibility in the area of sustainability. At the KION Group, we act upon this responsibility: We commit to fully embedding sustainability into our core business. This is reflected in our KION 2027 strategy, where we have anchored sustainability as a strategic field of action. By pursuing our eight sustainability action fields within the three dimensions of People, Products and Processes, we promote the UN Sustainable Development Goals (SDGs) and contribute to addressing the global social and environmental challenges which we face today and in the future.

To ensure that sustainability criteria are deeply embedded in our decision-making, the KION Group has made it a priority at the highest level of the organization. Since May 2023, I have had the privilege of holding the role of Chief People & Sustainability Officer (CPSO) which has been newly established in the Executive Board. We focus on sustainably creating business value by capitalizing on positive impacts and opportunities as well as mitigating negative impacts and risks where possible. While everything starts with the initial thoughts when designing products, we distinguish ourselves by thinking beyond our own operations: With our products, services and processes, we endeavor to equip our customers with highly efficient, sustainable products and solutions that enable them to achieve their sustainability goals.

Driving sustainable development as a people business
Only with the full commitment of our people around the globe will we further develop into a sustainable business. All our initiatives revolve around them as the driving force. Ensuring our employees' health and safety is deeply embedded in our culture as well as management and was underscored by the KION Group Board Occupational Health and Safety (OHS) award in 2023. This award recognizes initiatives that make a special contribution to the Group's safety culture. We have set ourselves the goal of being one of the leading companies regarding OHS in the material handling and warehouse automation industry. In 2023, we made progress in our ambition of achieving zero accidents by reducing our accident frequency rate (LTIFR: Lost Time Injury Frequency Rate) from 5.9 to 5.2.

We promote a culture of diversity, equity, inclusion, and psychological safety while developing attractive career and development opportunities for our talents. Our corporate identity demands that we treat each other with the same respect, regardless of personal characteristics such as gender, color, ethnic or social origin, age or religious beliefs. To further promote diversity and non-discrimination in the workspace, I am proud to share that KION GROUP AG signed the German initiative Charta der Vielfalt (Diversity Charter) in 2023. Our ambition is to be the employer of choice in the material handling industry.

Striving for highly sustainable products and solutions design

While we offer fully electrified products and solutions in our Supply Chain Solutions (SCS) segment, the share of electric-powered vehicles sold to customers increased to 91.1 percent in the Industrial Trucks and Services (ITS) segment in 2023. As a result, we surpassed the KION Group's strategic target of 90 percent share of electric-powered vehicles sold annually ahead of schedule. In 2023, we also intensified our activities for circularity and formed a strategic partnership with Li-Cycle Holdings Corp. to close the recycling loop for lithium-ion batteries that have reached the end of their life cycle.

In terms of product lifecycle assessments (LCA), we conducted LCAs for six truck series in 2023 and continued to pilot and conduct industry-pioneering lifecycle assessments for our supply chain solutions. Moving forward, we aim to strengthen synergies and collaboration between the ITS and SCS segments. We further embrace the cradle to cradle (C2C) concept in rethinking products in terms of material safety and recyclability with a pilot project in the SCS segment. In the area of LCA and C2C certifications, we are about to fine-tune meaningful indicators and corresponding mid-term targets. In context of the upstream value chain, we also launched a new initiative for higher transparency in the supply chain in 2023. We aim to make data-driven sourcing decisions that prioritize environmental responsibility at scale and will extend the collaboration with our key suppliers in 2024.

Embedding sustainability in our business processes

In 2023, we strategically anchored the ambition of net-zero greenhouse gas emissions along our value chain (Scope 1, 2 and 3) by 2050 at the latest, with interim targets by 2030. KION GROUP AG officially committed to the Science Based Targets initiative (SBTi) and the goal of the Paris Agreement on climate change, which aims to limit global temperature rise to 1.5°C. For the according climate action, we revised our sustainable governance structure and introduced the Sustainability Council for a closer collaboration between the leaders of the eight sustainability action fields, the Operating Units and the central functions.

In 2023, the KION Group achieved once more the Gold medal in EcoVadis, which puts us in the top six percent of all rated companies in the manufacture of general-purpose machinery industry. The Group's subsidiaries, Linde Material Handling GmbH and STILL GmbH, have exceeded expectations by scoring the top-grade Platinum, while Dematic Corp. and KION South America Ltda. both successfully achieved the Gold rating for the first time. The outstanding performance has been further recognized with an MSCI ESG rating of AAA as of 2023, marking the first time the KION Group has achieved the top score, and ranks among the top ten percent in its industry (construction, farm machinery, and heavy trucks). We are also proud that the KION Group was admitted as a member in the S&P Global Sustainability Yearbook 2023 for the first time, based on the S&P Corporate Sustainability Assessment 2022.

2023 was a pivotal year for all this progress towards sustainability, for the further development of our sustainability strategy and also for our annual sustainability reporting approach. We achieved a successful early launch of the non-financial report 2023: Moving the publication from end of April to end of February marks a meaningful step forward in our commitment to sustainability reporting and transparency in reference to the upcoming Corporate Sustainability Reporting Directive effective in 2024. In addition, we feature Sustainability Insights that provide a more comprehensive overview of the initiatives, measures and targets per sustainability action field and go beyond legal requirements in this newly established extended format.

In 2023, we paved the way for significant steps towards shaping our industry sustainably; in doing so, we demonstrated agility and resilience. I am confident that based on this solid fundament, the KION Group will show in 2024 that sustainability is of unbeatable advantage for our employees, customers, shareholders, business partners, and the communities in which we operate.

Valeria Jimena Gargiulo
Chief People & Sustainability Officer (CPSO)
of KION GROUP AG

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Sustainability management

Sustainability management

The KION Group is one of the world's leading suppliers of industrial trucks and supply chain solutions, and acts according to its corporate purpose in daily activities: We keep the world moving. Leading the way in sustainable development in the material handling industry is what the KION Group endeavors to do across its range of products and services. The KION Group's portfolio encompasses industrial trucks, such as forklift trucks and warehouse trucks, as well as integrated automation technology and software solutions for the optimization of supply chains, including all related services.

For the KION Group, sustainability is key to growth, profitability, resilience, customer orientation, and successful development of products and services. With the brands ↗ Linde Material Handling, ↗ STILL and ↗ Baoli, as well as ↗ Fenwick and ↗ OM in the regional markets, the KION Group strategically integrates sustainability criteria in the ITS segment via its Operating Units (OUs) KION ITS EMEA, KION ITS Americas and KION ITS APAC. In the SCS segment, the KION Group further drives sustainable value creation with its brand ↗ Dematic operating via the OU KION SCS. The Corporate Services segment includes activities other than those of the operating business and the holding functions of the KION Group. These include service companies that provide services such as IT and general administration across all segments (↗ annual report 2023: Company profile, Segments).

Sustainability understanding

The KION Group fosters social responsibility for thinking sustainably holistically across the business and will enhance the strategic integration by inherently involving the analysis of sustainability-related opportunities and risks. For many years, sustainability criteria have been continually integrated step by step along the entire value chain: from design and the supply chain to KION Group's own operations and the product life cycle.

Truly sustainable development requires a global perspective, joint ambitions, and close collaboration. At the KION Group, each and every employee and stakeholder, including Executive and Supervisory Board members, has a shared responsibility to implement sustainable business practices and to foster the sustainable transformation of the KION Group. With this understanding, the KION Group strives to act as a sustainable partner on all levels (→ Stakeholder dialog). Besides research and development innovation in the company, the KION Group further develops its efforts for responsible sourcing with its business partners to enhance sustainability in its own operations. Further up the value chain, the KION Group as a supplier in turn impacts the sustainability performance of its customers and is committed to equipping its customers with highly efficient, sustainable products and solutions that enable them to achieve their sustainability goals.

The KION Group aspires to understand its customers' needs like no other company in the world and to provide appropriate solutions.

Sustainability in the KION 2027 strategy

The KION 2027 strategy follows the overall objective of profitable growth and comprises six specific fields of action: multi-branded go-to-market, growth plans for specific regions, automation and software, performance and agility, values, people and leadership, and sustainability (↗ annual report 2023: Strategy of the KION Group*). In both its sustainability strategy and in its operations, the KION Group acts in accordance with the corporate values of integrity, collaboration, courage, and excellence. As part of the KION Group's understanding of sustainable governance, the ↗ KION Group Code of Compliance (KGCC) sets out principles that are designed to fulfill the KION Group's legal and ethical responsibilities to its employees, business partners, shareholders, the environment, and other stakeholders.
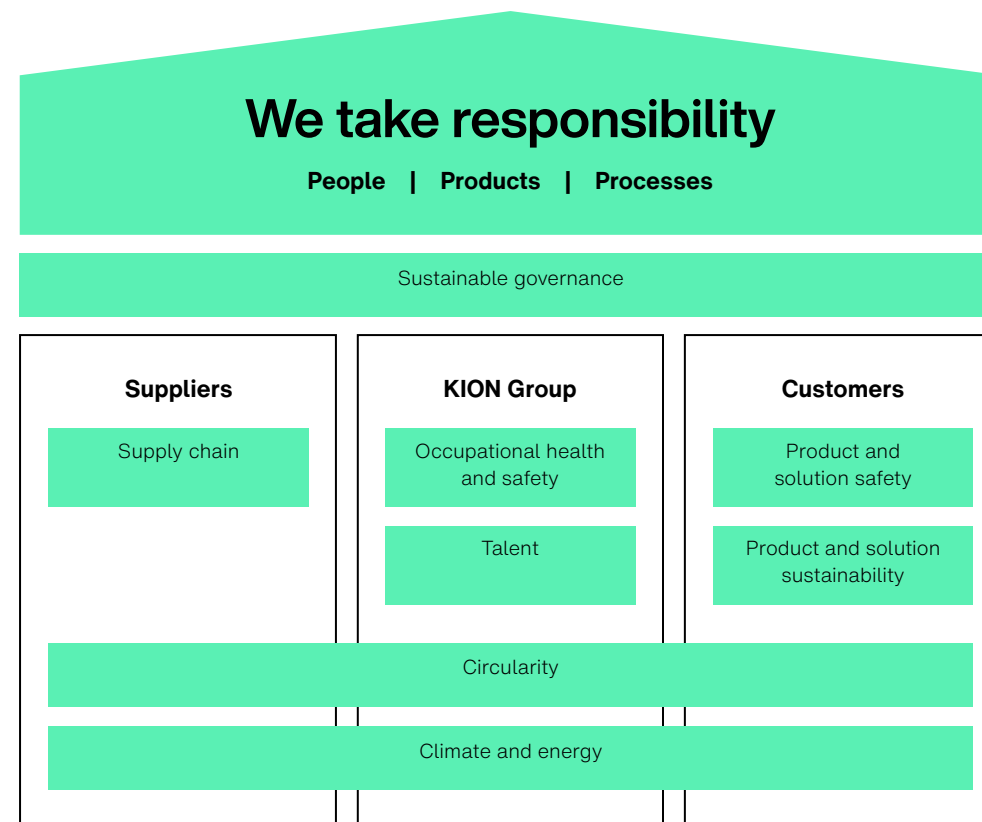
Sustainability strategy

The KION Group aims to shape a sustainable future and to keep the world moving with a clear sustainability strategy, ambitious objectives, and effective measures. The Group's sustainability strategy is based on the guiding principle "We take responsibility". For the

KION Group, this means taking responsibility for creating sustainable products and solutions, caring for our people, and managing the impact of our operations on the environment and the society we live in.

The sustainability strategy is structured along the three strategic dimensions of People, Products, and Processes, comprising eight interdependent sustainability action fields. Each action field is underpinned by a specific program with objectives, measures and quantitative monitoring that is derived from the sustainability strategy and materiality analyses. The KION Group pursues a systematic groupwide approach for the operational implementation of its sustainability strategy and the underlying program (↗ NfR 2023: Sustainability strategy, action fields and targets).

In 2023, a significant milestone was officially established in the KION Group's sustainability strategy. KION GROUP AG committed to the Science Based Targets initiative (SBTi) and established the long-term climate target of achieving net-zero greenhouse gas (GHG) emissions along its entire value chain by no later than 2050. In addition, the sustainability strategy was enhanced with new targets for lifecycle assessments and cradle to cradle certifications for increasing the share of renewable energy and recovered waste in own operations. The respective target specifications will be further refined in 2024. As part of the further development of the sustainability strategy in 2023, the existing targets were also subjected to a validation process.

The eight action fields of KION Group sustainability management

We take responsibility

People | Products | Processes

Sustainable governance

Suppliers	KION Group	Customers
Supply chain	Occupational health and safety	Product and solution safety
	Talent	Product and solution sustainability

Circularity

Climate and energy

Sustainability strategy status - Leading targets and status of the KION Group sustainability strategy[1]

Dimension	Action field	Targets and indicators, [target year]	Status 2023	Status 2022
People	Occupational health and safety	**Reduction** of **accident frequency rate[2]** by **5% per annum** (based on the annual upper limit; long-term: no occupational accidents), [per annum]	5.2	5.9
		100% ISO 45001 certification rate[3] (all sites), [2024]	89%	80%
	Talent	Increase in employee satisfaction to an **engagement score** of at least **75** and a **participation rate** of at least **80%**, as measured by an annual, global employee survey[4], [2026]	Engagement score: 74 Participation rate: 80%	Engagement score: 74 Participation rate: 77%
		No cases of non-compliance with KION Group minimum employment standards, [ongoing]	0 cases, target achieved	0 cases, target achieved
Products	Product and solution safety	ITS segment: Average number of selected **safety features per industrial truck[5]** increased to **4**, [2027]	3.4	3.3
		SCS segment: Mitigating risks of noise pollution by offering quieter and safer solutions: **20%** of Dematic's **solution portfolio** targeted to **operate under 85 dB(A)**, [2027]	♦	♦
	Product and solution sustainability	ITS segment: Strive for an electric-focused portfolio incl. battery and fuel cell-driven products by increasing the **share of electric-powered vehicles sold annually[6]** to **90%**, [2027]	91.1%	88.1%
		Increase **number** of products with available **lifecycle assessment**	♦	♦
		Increase **number** of products with **cradle to cradle certification**	♦	♦
Processes	Climate and energy	**Absolute reduction** in GHG emissions **(Scope 1, 2, 3)** in metric tons of **CO_2e** compared with 2021[7] Near-term [2030]:		
		Scope 1+2 by **4.2%**	−2.2%	−4.2%
		Scope 3 by **2.5%** per year (linear) Long-term [before 2050]:	−26.5%	−10.0%
		net-zero, Scope 1, 2, 3 by 100%	14.9 million tons	18.2 million tons
		Increase **share of renewable energy use** in own operations	20.3%	18.9%
		100% ISO 14001 certification rate[3] (all sites), [2024]	90%	81%

Sustainability strategy status - Leading targets and status of the KION Group sustainability strategy[1]

Dimension	Action field	Targets and indicators, [target year]	Status 2023	Status 2022
Processes	Circularity	Increase **share of recovered waste** in own operations	80%	84%
	Supply chain	**EcoVadis or alternative rating[8]** (Corporate Social Responsibility performance) available for:		
		100% of strategic and high-risk[9] suppliers, [2023]	73% of high-risk suppliers covered	65% of high-risk suppliers covered
		100% of **direct** suppliers, [2025]	70% of direct suppliers covered	♦
	Sustainable governance	**EcoVadis "gold" rating** for the KION Group and assessed subsidiaries, [2027]	KION Group: Gold Assessed subsidiaries[10]: 2 platinum; 2 gold; 1 bronze; 1 unrated	KION Group: Gold Assessed subsidiaries[10]: 1 platinum; 1 gold; 2 silver; 1 no medal; 1 unrated
		S&P Global Corporate Sustainability Assessment (CSA) score ≥ 70 points for the KION Group, [2027]	61	62 (2021: 57)

1 Status and details in the corresponding subchapters. Previous years data partially recalculated in context of methodology or data base enhancements. Comments on potential restatements are provided in respective report sections, if applicable.

2 Calculation is based on the actual number of lost-time injuries of active employees (work-related accident resulting in the loss of one full working day or more) and the total number of actual working hours in the reporting period relative to one million hours worked.

3 Or equivalent standards.

4 The engagement score is based on two questions: employee satisfaction ("How much do you enjoy working at your company?") and recommendation ("I would recommend my company as an excellent employer."). All ratings are presented on a 100-point scale. The participation rate indicates how many employees took part in the global survey compared to the total group of requested respondents, at effective date (01.09.2023).

5 Number of safety features ordered by customers in addition to the standard truck (which is safe in accordance with legal requirements) that can be assigned to the areas of optical-acoustic safety features (e.g. SafetyLight), access authorization/fleet management (e.g. Access control), mechanical solution to increase safety (e.g. Swiveling seat), and assistance systems with optional intervention in driving controls (e.g. Speed Assist); based on the number of counterbalance forklifts (under a tonnage of 10 t), reach trucks, and VNA trucks sold, which are produced in the respective operating units. KION North America is currently not included, foreseen for 2024. The criteria for the calculation are kept consistent for reported years since introduction in 2021.

6 Proportion of electric-powered products in ITS segment in order intakes in terms of units in new business; data source: World Industrial Truck Statistics (WITS)/Fédération Européenne de la Manutention (FEM).

7 Greenhouse gas emissions of fiscal years 2021 and 2022 have been recalculated retrospectively considering further scope 3 categories (details in respective report section) as well as methodology and data base enhancements, e.g. by refined emission factors. Changes in scope 3 greenhouse gas emissions compared to reported values in 2022: for fiscal year 2021: +2.4% and fiscal year 2022: −1.4%.

8 Group or site rating.

9 High risk suppliers refers to industry and country risk based on sustainability criteria.

10 The reported status refers to the latest valid rating in the reporting year. One platinum rating maintained validity until November 2023, nonetheless the reassessment – which was in progress at the end of the reporting year – confirmed the same rating at the beginning of 2024.

♦ In process.

Sustainability action fields

People

01 | Occupational health and safety (OHS)

Ensuring the health and safety of the KION Group employees is a fundamental precondition for business success. The KION Group is both morally and legally obligated to provide a safe working environment for its employees and contractors. OHS is a significant contributor to the well-being of employees, which in turn is one of the key aspects of being a sustainable, high-performing company. The KION Group strives for a behavior-based safety culture regarding physical as well as mental health and one that minimizes hazards, workplace-related injuries, occupational illnesses, and serious incidents (→ 01 | Occupational health and safety).

02 | Talent

People are an integral part of the KION Group's sustainability strategy. The KION Group employees decisively shape the efforts for sustainability and bring them to life. In a highly competitive industry, attracting, developing, engaging, and retaining talents is a major driver for business success and profitable growth. In alignment with the corporate values, the KION Group further focuses on creating an attractive as well as diverse workplace and fostering an inclusive culture (→ 02 | Talent).

Products

03 | Product and solution safety

The safe operation of all KION Group products and solutions has always been a focus of the Group's activities. The KION Group is constantly working to improve its high standard of customer safety. The goal is to increase safety for the environment, as well as for customers and their property, and to avoid any risk. To achieve this, safety features and functions are continuously expanded and developed, and customers are provided with safety information in a variety of ways (→ 03 | Product and solution safety).

04 | Product and solution sustainability

The KION Group considers its products and solutions as essential enablers for achieving sustainability targets. Driven by steadily rising customer expectations, climate change, cost developments, resource boundaries and compliance requirements, the KION Group strives to offer solutions that comprise an effective combination of product portfolio elements tailored to solve a specific customer case considering sustainability criteria. Besides performance improvements, the focus is on an increasing transparency regarding the environmental and social aspects of products and solutions as well as their continuous improvement in terms of sustainability (→ 04 | Product and solution sustainability).

Processes

05 | Climate and energy

The worldwide efforts to limit global warming and corresponding challenges for the planet demand active and forward-looking climate action from the KION Group. Following a holistic decarbonization approach, KION GROUP AG pursues the long-term climate target of achieving net-zero GHG emissions along its entire value chain by no later than 2050 and is committed to the Science Based Targets initiative (SBTi). Beyond the company's own operations, the KION Group will closely cooperate with its customers, suppliers and business partners regarding energy use, resource efficiency, GHG emissions reduction and adaptation action. In addition, the action field covers further matters of (local) environmental protection and biodiversity (→ 05 | Climate and energy).

06 | Circularity

Aware of planetary limits, the KION Group is committed to using recycled and renewable resources; to minimizing and recovering waste; and to fostering circular business models centered around product-as-a-service, maintenance, refurbishment, reutilization, and shared use. For both segments, ITS and SCS, this commitment translates into the formulation and execution of a comprehensive circularity strategy with respective targets, indicators and an action roadmap (→ 06 | Circularity).

07 | Supply chain

The KION Group strives for a robust, agile, and cost-efficient supplier base, which sustainably ensures the supply of materials to all KION Group production, installation as well as sales and service activities. The supply chain is highly interconnected to 'Product and solution sustainability' and 'Circularity' as well as 'Climate and energy'. Following a holistic approach and in close cooperation, the KION Group encourages and requires the commitment of its suppliers and business partners towards responsible and carbon-reduced operations (→ 07 | Supply chain).

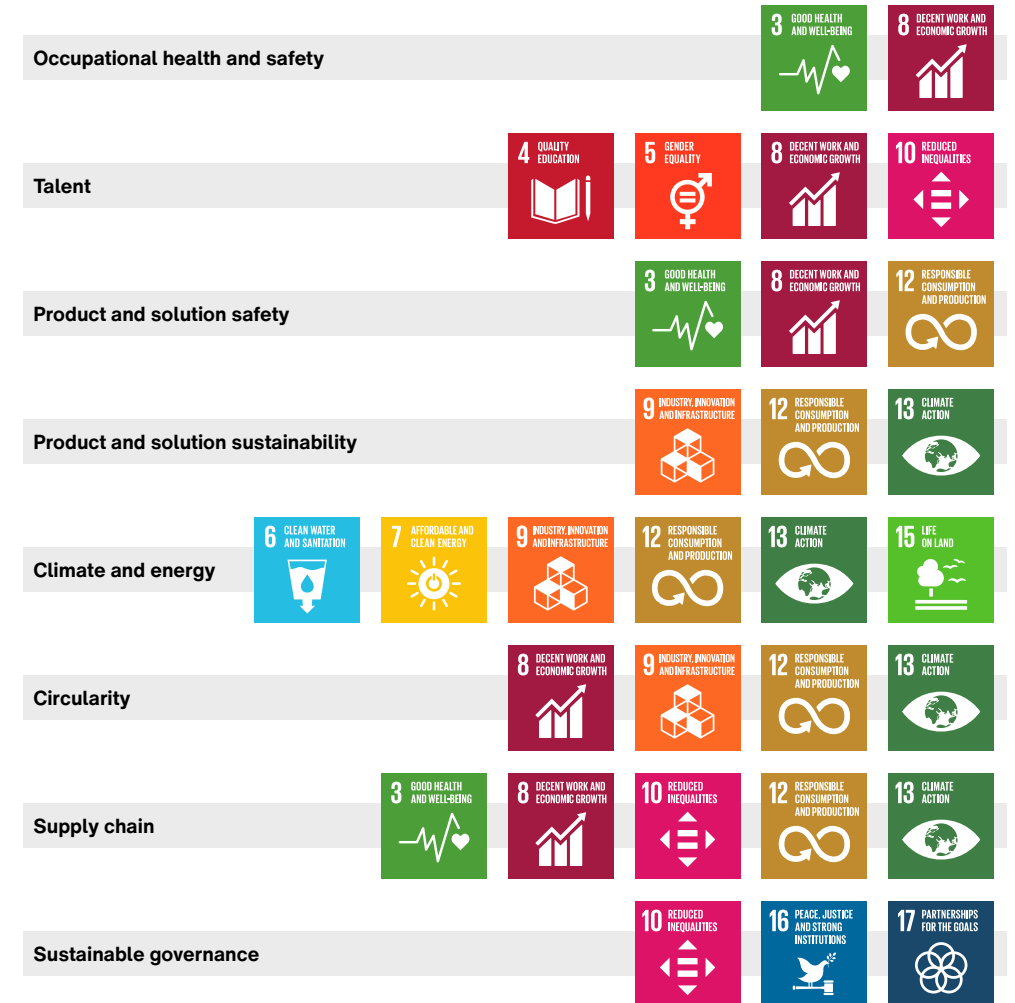## 08 | Sustainable governance

Sustainable governance is the foundation for decision-making and subsequent implementation – in general and for all sustainability action fields in particular. In a wider sense, it encompasses business ethics as well as the KION Group's understanding of sustainable business management – including, but not limited to, compliance, IT security, corporate citizenship and communications. The KION Group aims to maintain a sustainable governance that maximizes effectiveness, efficiency and

responsiveness. By regularly reviewing and adequately adjusting the organizational structure, processes and rules, staffing and skillsets, tools and infrastructure, the KION Group ensures not only that stakeholder requirements are met, but also the company's success in the long run (→ 08 | Sustainable governance).

Strategic link to the Sustainable Development Goals

The KION Group embraces the 2030 Agenda for Sustainable Development of the United Nations including the ↗ SDGs. As a company with global operations, the KION Group prioritizes specific SDGs based on their relevance to the company's core business activities. In its latest materiality analysis update in 2022, the KION Group performed an evaluation of the Sustainable Development Goals when selecting and defining relevant topics located in potential material aspects (↗ NfR 2023: Groupwide materiality analysis). The eight specific sustainability action fields provide the framework and the link for the strategic contribution of the KION Group to these global objectives.

KION Group sustainability action fields with corresponding SDGs

Action field	Corresponding SDGs
Occupational health and safety	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH
Talent	4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Product and solution safety	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Product and solution sustainability	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Climate and energy	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND
Circularity	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Supply chain	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Sustainable governance	10 REDUCED INEQUALITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS

People

Occupational health and safety

OHS is a significant contributor to the wellbeing of employees, which in turn is one of the key aspects of a sustainable, high-performing company. The KION Group strives for a behavior-based safety culture regarding physical as well as mental health which minimizes hazards, workplace-related injuries, occupational illnesses, and serious incidents.

ISO 45001 certification rate (all sites) or equivalent standards in 2023

89%

Increased from 80% (2022)

Ambition to be leading in OHS

+ Employees and leadership
Strong HSE responsibility

+ Work environment
Hazard-free workplaces

+ Organization
Common safety principles

HSE Statement of Intent

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

74 Projects submitted

to the KION Board OHS award

Reduction of accident frequency rate[1]

2023	**5.2**
2022	**5.9**

1 Calculation is based on the actual number of lost-time injuries of active employees (work-related accident resulting in the loss of one full working day or more) and the total number of actual working hours in the reporting period relative to one million hours worked.

01│Occupational health and safety

The KION Group is committed to zero accidents and has made further progress over the last few years. Since 2018, the KION Group's Occupational health and safety (OHS) principles and guidelines are anchored in the HSE Standard. The principles and guidelines were updated in 2023. They also contribute to the ↗ Health, Safety and Environment (HSE) Statement of Intent which, since 2022, represents the HSE Policy (↗ NfR 2023: 01 │ Occupational health and safety).

The KION Group aims to be an industry leader in OHS and considers the protection as well as promotion of health and safety to be a fundamental value and corporate responsibility governing its activities. The OHS management as an integral part is substantiated with strategic long-term ambitions: the reduction of the accident frequency rate (lost time injury frequency rate, LTIFR) by five percent each year, that will ultimately result in a zero-accident workplace (→ Sustainability strategy). Regular sharing of best practices and increased communication among the OHS community contributed to the significant reduction of the LTIFR to 5.2 (2022: 5.9). The inclusion in the short-term variable remuneration of the Executive Board of KION GROUP AG and the KION Group management confirms the importance given to the employee health and safety and mirrors the

KION Group's performance in this field (↗ Remuneration report 2023). The certification target of ISO 45001 at all sites by end of 2024 will additionally support the local implementation. In 2023, the KION Group was able to improve the ISO 45001 coverage of sites to 89 percent (2022: 80 percent).

Reduction of Lost Time Injury Frequency Rate[1] over the years
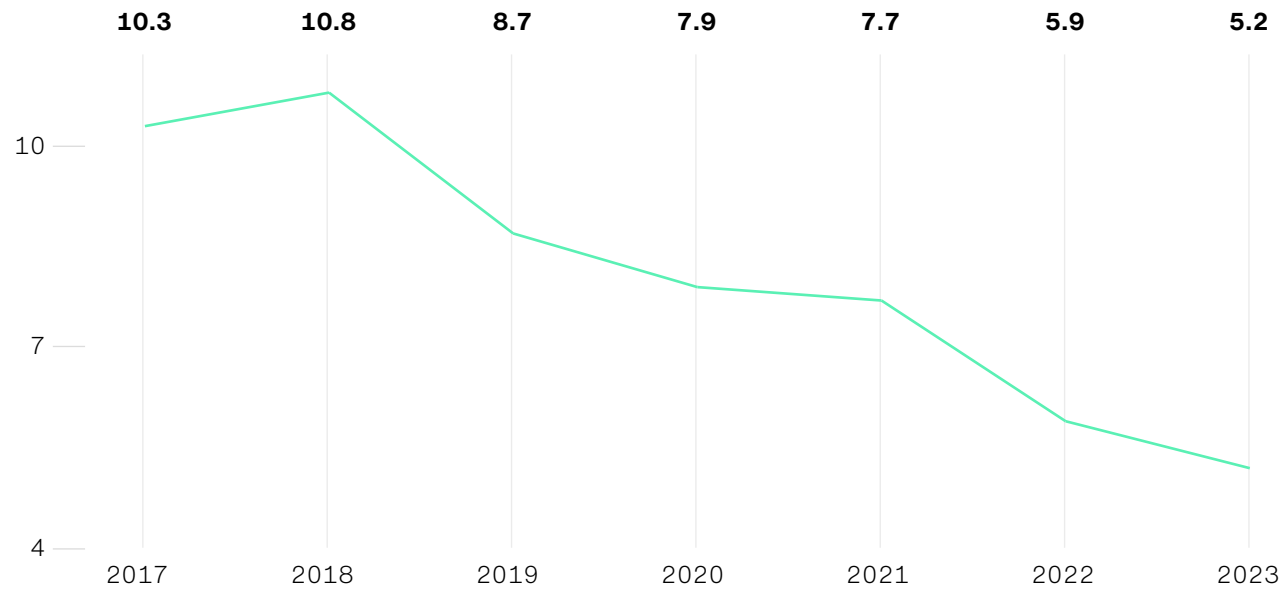
10.3	10.8	8.7	7.9	7.7	5.9	5.2
2017	2018	2019	2020	2021	2022	2023

1 Calculation is based on the actual number of lost-time injuries of active employees (work-related accident resulting in the loss of one full working day or more) and the total number of actual working hours in the reporting period relative to one million hours worked.

Comprehensive OHS management

Implementation of the HSE Standard is mandatory for all KION Group sites and is accompanied by an annual self-assessment program (HSE assessment). Regular internal local audits are further essential to ensure that all aspects of the HSE system are being adhered to by the local organization. The process of internal audits is verified by the HSE assessment, corporate on-site HSE audits and external ISO 45001 audits. The performance of the OHS management system is additionally evaluated monthly by the internal HSE reporting.

General requirements for risk assessment are also covered in the HSE Standard. To identify work-related hazards, all local organizations have a risk management procedure in place. In 2023, a safety risk assessment was carried out by a trained person at 96 percent of KION Group's operational sites. Risk assessments are updated when an accident occurs or when a significant change on site occurs (management of change process). An example for a trigger event for a management of change process could be a processual or technological change that has a potential impact on OHS leading to a systematic consideration of health and safety aspects.

The OHS management focuses not only on employees and temporary agency workers, but also on business partners, contractors and visitors. Both the application of the safety standards and the review of the relevant processes through audits apply to everyone in these

groups. Contractors and visitors entering a KION Group site must familiarize themselves with the necessary safety instructions – for example, emergency plans, first aid measures, work permits or the safe handling of machinery and equipment. Contractors working at the sites via contracts (on-site management) are also part of the KION Group's serious incident reporting and are instructed accordingly. The purpose of the serious incident reporting form is to make the central HSE team and the Executive Board HSE responsible persons aware of any serious incident, accident or fatality within the Group. In addition, the contractors are included in the KION Group's accident recording.

An incident investigation procedure is in place at all local entities for near misses, minor, recordable, lost time, serious and fatal accidents. The procedures cover the root cause analyses and detailed corrective actions. All corrective actions are monitored to completion by using the local HSE reporting platforms. In case of a fatality event, this is directly investigated by the central function, which also supports local serious injury investigations. In 2023, no fatalities were registered by or reported to the KION Group. Further, the lost time injuries of active employees, temporary agency workers and others could be significantly reduced throughout the year.

Lost Time Injuries and fatalities

	2023	2022	Change
Lost Time Injuries (LTIs)[1]	**419**	**462**	**-9.3%**
Employees	382	423	-9.7%
Temporary agency workers	30	31	-3.2%
Others	7	8	-12.5%
Fatalities	**0**	**0**	**—**
Employees	0	0	—
Temporary agency workers	0	0	—
Contractors and guests at KION Group locations (as reported)	0	0	—

1 The number of reported work-related accidents resulting in the loss of one full working day or more.

The central and local OHS functions are actively working towards implementing proactive rather than reactive measures at the sites, including field service engineers. The KION Group aims at initiating changes not only after accidents occur, but at preventing these accidents from taking place ab initio. Employees are encouraged to immediately report work-related hazards and hazardous situations via various ways, for example using the KION Group's whistleblowing system, the near misses reporting, safety walks, behavior-based safety observations or safety committee meetings with local representatives. Each occupational safety accident is precisely recorded, documented and investigated. The most common cause of serious injuries is mechanical hazard. Incident investigation procedures including accident prevention plans are in place at local organizations to mitigate these hazards. The results of the incident investigation are used to set adequate precautionary measures to avoid similar incidents in the future. These developments are summarized in locally arranged annual management review on OHS.

In 2023, especially the increased reporting of near misses stands out. A near miss is an unintentional and unplanned incident that has the potential to cause harm, but does not actually result in human injury, death or ill health. Near misses provide an indication of risk for more serious incidents. The voluntary reporting relies on the individual person and improves data quality as well as transparency. The KION Group therefore encourages all employees to report minor incidents to prevent more serious incidents.

Further OHS indicators (active employees)

	2023	2022	Change
Lost days due to Lost Time Injuries	8,561	8,574	-0.2%
Minor injuries	1,570	1,480	+6.1%
Reported near misses	5,210	3,322	+56.8%
Commuting accidents	211	173	+22.0%
Illness rate[1]	3.1	3.6	-13.8%
Days of absence due to accident or illness	307,639	343,585	-10.5%
LTI severity rate[2]	0.117	0.119	-0.2%

1 Absence days due to illness or occupational accidents related to planned working days of active employees.

2 Number of days lost due to injuries multiplied by 1,000 per total hours worked.

Health and safety culture

The KION Group pursues the vision that every employee should actively participate in creating a safe and healthy work environment. This is to help the business become highly sustainable and to enhance the experience of customers as well as partners. The KION Group's health and safety culture is determined by management commitment and visibility, active employee participation and good communications. All employees of the KION Group are responsible for their own safety and for taking care of the team by actively contributing to a safe working environment.

The KION Group Board OHS award underscores the importance of occupational health and safety throughout the Group. In 2023, the former HSE Championship program was further developed to the KION Group Board OHS award with a specific focus on occupational health and safety. The KION Group Board OHS award acknowledges KION Group entities that exhibit exceptional accomplishments in OHS management, while fostering a culture of best practices, continuous improvement and heightened awareness throughout the entire KION Group. By facilitating knowledge-sharing among organizations, the award serves as a platform for the exchange of expertise and best practices, contributing to the creation of a

safety-centric culture across all entities. For the first time, the annual program for employee recognition was open to all KION Group entities. In 2023, 74 projects on OHS-related topics were submitted, such as workplace safety, employee well-being, ergonomic solutions, machinery safety and health and safety initiatives. The KION Group Board OHS award uses a systematic set of criteria to assess the performance and to evaluate the effectiveness of a nominated project. A committee including Valeria Gargiulo (CPSO) selects the finalists, who receive OHS-related benefits in 2024.

Further initiatives were carried out at local level or within the individual OUs. The initiatives were directed towards behavior-based safety, communication and defining improvement plans. The following elements of the KION Group's approach are important to establish a permanent safety culture:

Safety weeks: On the annual world safety day on April 28, the KION Group conducts multiple events during the calendar week. In 2023, various entities facilitated a wide range of activities promoting the importance of occupational health and safety. For example, the Hamburg plant (Germany) contributed with an activity 'Professionals always work safely!' and the Stribro production (Czech Republic) carried out prevention days focused on health and well-being.

Safety moments: For many years, it has been deeply anchored in the KION Group's culture to start meetings with a safety moment to raise awareness on the topic both in general and for specific aspects. This tradition is also adopted by the Executive Board of KION GROUP AG.

Safety alert: Safety alerts aim at creating a proactive procedure for raising awareness and reducing accidents. Based on previous accidents and incidents, their documentation – including, for example, contributing factors and lessons learned – is shared via the social intranet as so-called safety alerts to prevent their recurrence in the future.

In terms of health culture, the KION Group continued to offer employees a range of preventive occupational health services in 2023. These included occupational health check-ups, the provision of a company doctor, prevention days (relating to nutrition, physiotherapy, blood pressure, etc.), safety days and weeks, free fruit deliveries, and bike-to-work campaigns. In 2023, the KION Group offered health-related training to around 68 percent of the workforce (2022: 76 percent). A total of 109 entities (2022: 110 entities) provided own occupational health checks, a company doctor or voluntary check-ups throughout the year.

Employee training and involvement

The KION Group trains employees on an ongoing basis to raise awareness on potential hazards, inform about potential risks and to report them in various ways. Employees are involved in occupational safety topics, for example in risk assessments, safety audits and inspections, incident reporting, incident investigation and local recognition programs.

In 2023, 100 percent of the employees were trained on the topic of occupational safety (2022: 99 percent). The management is responsible for ensuring that all employees joining the KION Group, regardless of their status, undergo the HSE induction training course. The HSE Standard requires local entities to provide an HSE induction training to all new employees, temporary staff, short-term contracted employees and, where appropriate, contractors. The goal is to provide appropriate instructions on their first day of work and to train them annually on the topic of safety. In addition, the HSE Standard requires the training of young workers, trainees or apprentices to be undertaken and monitored by the appropriate line managers. Furthermore, training on safety must be provided at least once a year. In addition, line managers provide practical on-the-job training. More safety-related information for employees can be accessed via the KION Group's social intranet.

In 2023, 94 percent of the employees in the KION Group were represented by employee committees on occupational health and safety (2022: 94 percent). The functioning and responsibilities of the employee committees vary according to local conditions, as defined in country-specific legislation.

Talent

People are an integral part of the KION Group's sustainability strategy. Attracting, developing, engaging, and retaining talents is a major driver for business success and profitable sustainable growth. In alignment with the corporate values, the KION Group focuses on creating an attractive as well as diverse workplace and fostering an inclusive culture.

KION Group Management Trainee Program

42,325
Employees in FTE

>110
Nationalities

KION Pulse employee feedback

Participation rate

2023 | **80%**
2022 | **77%**

Engagement score

2023 | **74/100 points**
2022 | **74/100 points**
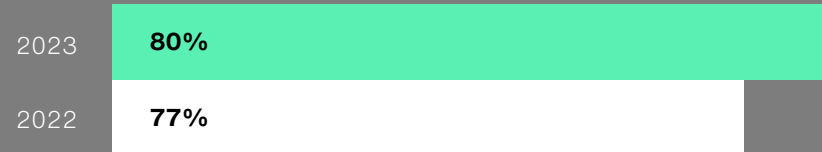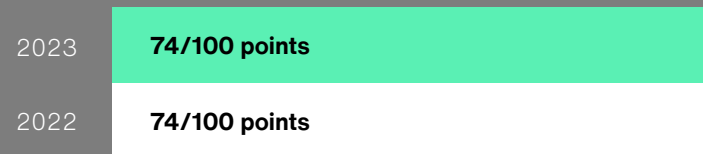
"As a company operating worldwide, we have to respect ethical values and to act in a sustainability-oriented manner everywhere and at all times."

Holger Frieges
Vice President Labour Law of the KION Group

Diversity & Inclusion

02 | Talent

In 2023, the HR strategy was reviewed with the aim to strengthening its contribution to the KION 2027 strategy. As a result, the following strategic initiatives were launched: Talent Acquisition Excellence, Learning Academy, HR Reporting and Analytics, Operational and Strategic Workforce Planning, Global Mobility and Rotation as well as Strategic HR Consultancy.

"We are the global leader in understanding our customer's intra-logistics and supply chain needs and pro-viding the right sustain-able solutions, today and in the future."

Valeria Jimena Gargiulo
Chief People & Sustainability Officer (CPSO)

Human Resources contribution to the KION 2027 strategy

KION 2027 strategic fields of action

Multi-branded Go-to market	Region-specific growth plans	Sustainability	Automation & Software	Performance & Agility	Values, People & Leadership
Partner with the business	Leverage HR capabilities globally	Empowering sustainability champions	Foster the organizational & people capabilities	Enable to be high-performing and agile	Our people are inspired to be their best and are proud to be part of KION

Talent Acquisition Excellence

Learning Academy

HR Reporting and Analytics

Operational and Strategic Workforce Planning

Global Mobility and Rotation

Strategic HR Consultancy

Values + People + Leadership = Culture

Talent plays a vital role for each topic as the investment in people, in skill enhancement and in organization capabilities are necessary contributions for continued and sustainable business growth and success. At the same time, they create opportunities for the KION Group's people. Indeed, the successful implementation of the KION 2027 strategy is based on the capabilities and motivation of its employees. Whilst investing in people, the KION Group strengthens the role of HR as strategic partner and consultant (↗ NfR 2023: 02 | Talent).

In addition, the KION Group believes in the diversity of its employees being a competitive advantage. At the end of 2023, people of more than 110 nationalities were employed in around 40 countries across the KION Group, bringing different skills and competencies to the company.

Employees per nationality

|	2023	
	Total workforce	**Manage-ment positions**
Total	**100.0%**	**100.0%**
Germany	26.1%	21.2%
China	12.2%	11.7%
USA	10.1%	16.2%
France	9.3%	10.2%
United Kingdom	6.5%	7.1%
Others	35.8%	33.6%

Based on headcount as at balance sheet date 31/12/.

Complying with decent working conditions across the entire Group is a minimum pre-requisite to become the employer of choice in the material handling industry. More information on the KION Group's guiding principles to respect international labor and human rights and its commitment to apply the same binding ↗ minimum employment standards across the entire Group can be found in the ↗ NfR 2023: Compliance with international labor and human rights.

Talent development

Nurturing talents is fundamental to securing the KION Group Leadership as the global leader in under-standing our customer's intralogistics and supply chain needs and providing the right sustainable solutions. Employee development is a crucial endeavor for the KION Group. With a systematic approach, the Group's talent development portfolio includes off-the-job as well as on-the-job measures and is supported by different feedback sources. Targeted support in line with individual potential and skills is designed to enable employees to take up and fill suitable positions within the KION Group. The active engagement of both the employee and the supervisor is key to successfully unleashing the potential of our people.

Employee life cycle
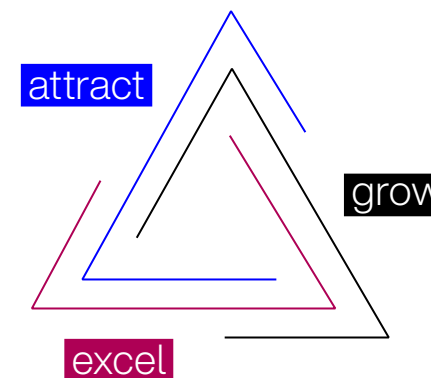
Organization capability talent review: To assess perfor-mance in a fair and understandable manner, to explore individual development needs, and to support employees in realizing their full potential, the KION Group conducts an annual, standardized, and comprehensive process called Organization Capability Talent Review (OCTR). The OCTR, introduced in 2017 and first revised in 2022, combines performance, talent, and succession management, and applies to all employees across the organization. It is based on the clearly defined competency model and leadership principles, as well as on the four shared KION Group values: integrity, collaboration, courage, and excellence. Besides performance appraisal, it includes the identification

and development of high-potential employees who are nominated for participation in various employee development programs. Once per year, each supervisor systematically provides feedback in a standardized employee dialogue and discusses targets, tasks, expectations, personal development, and career ambitions for the future. In a mid-year check between the employee and its supervisor, progress on target achievement and the need for amendment are reviewed. Since 2020, this information has been, with few exceptions, collected in the groupwide HR IT system. For the OCTR cycle started in the end of 2022 and finished with the employee dialogs in Q1 in 2023, 78 percent of employees completed the OCTR process via the HR IT system (offline reviews not included).

The KION Group considers it a competitive advantage to systematically identify and develop high-potential employees and successors internally. With this approach, the KION Group extends development opportunities for its employees across the Group, increases its employer attractiveness, and, at the same time, encourages a strong feedback culture. By the end of 2023, the KION Group was able to appoint suitable ready-now potential successors for more than half of its executive positions and, for almost all executive positions, at least unique mid-term successors.

Employee development programs: With its corporate and/or OU-/country-specific talent development land-scape, the KION Group aims to further enhance especially the employees' leadership skills and/or to prepare potentials for the next career step. Often,

nominations for participation in specific programs are required and decided on during the OCTR as it facilitates transparency in career aspirations and potential for advancement. The continuous review and set-up of further development programs (locally or groupwide) demonstrates the KION Group's commitment to retaining its employees and to supporting them in their sustainable growth.

The leadership development curriculum at the KION Group covers various internal target groups. Examples of these off-the-job development measures are:

Global executive program: The KION Global Executive Program (KGEP) in cooperation with the renowned business school INSEAD develops leadership skills of employees at executive level. The program aims to inspire and support executives towards the successful execution of the KION 2027 strategy. Key objectives are to strengthen shared global leadership capabilities and coaching skills to support performance improvement across the entire KION Group. The KGEP focuses on building a strong senior leadership network that shares a common understanding along with leadership tools. Overall, 59 percent of all executives have already completed the program since 2017. In 2023, 28 percent of all executives participated in at least one of the different program modules.

Transition to management program: The KION Transition to Management Program (KTMP) is a groupwide development program that systematically prepares high-potential employees for an executive position. In addition, it offers the opportunity to network and exchange ideas across the KION Group. The program aims to strengthen the participants' leadership and general management skills and improve their strategic competencies. Up to December 2023, 53 percent of the present and former KTMP participants have been promoted to an executive level.

360° Feedback: The 360° Feedback is used to provide and gather feedback from various perspectives. It is designed to foster a culture of dialog and feedback while supporting the identification of individual development needs to enhance leadership capabilities. The KION Group 360° Feedback is available to all employees with disciplinary leadership who have been in their current role for six months or longer. It is typically initiated after the OCTR employee dialog and upon request of the employee.

Women's mentoring program: The women's mentoring program aims to promote female talent at the KION Group and provides a platform for mutual exchange of knowledge as well as experience. By providing individual advice and trustworthy support, the yearlong mentoring program offers the opportunity to gain new insights and to develop personally as well as professionally. Once mentee and mentor are being matched and trained, they conduct joint meetings to exchange experiences, learn from each other, discuss concrete situations, and reflect on further development.

Talent acquisition and retention

The KION Group recruits, employs, and promotes employees based on their qualifications and skills for the respective positions. No discrimination, equal opportunities, and equal and fair treatment of all candidates and employees are leading principles for the KION Group. In the end, the suitability of the candidate for the vacant position is crucial for the recruitment or promotion decision, as is the individual potential for a successful future with the KION Group – in line with the KION 2027 strategy and objectives and, of course, the shared KION Group values.

In addition, as highly qualified and motivated employees are a key driver of the KION Group's business success and sustainable profitable growth, it is essential for the KION Group to provide an attractive working environment, fair remuneration, and numerous opportunities for personal and professional growth.

Apprentice and student program: For apprentices, training is offered in different occupations with periods of practical work experience in the Group's companies. In Germany, training for 23 professions is currently being offered. Besides providing dual vocational training programs, the KION Group companies also partner with various universities to offer work placements for students combining vocational training with a degree course. In 2023, the KION Group employed 786 (FTE) apprentices and dual students.

Management trainee program: The KION management trainee program is an 18-month global development program. Participants rotate through a total of four stations to get to know the target functions, key interfaces, and partners. Also included is a five-month assignment at one of the KION Group's international locations. Throughout the program, the trainees are accompanied by an executive manager who acts as a mentor. In 2023, the fourth group started, with twelve new trainees joining the KION Group.

Connect 2 KION: In 2023, the corporate employee referral program Connect 2 KION was established in Germany to support recruiting and retaining talent. The successful recruitment and recommendation of applicants by employees is encouraged and rewarded with a bonus. Beyond Germany, similar programs exist in large parts of the KION Group, for example across EMEA, North America and China.

Global exit interviews: Not only the acquisition of talent is of high importance for the KION Group, but also the retention of employees is crucial for creating a stable base for sustainable development as a company. To determine possible reasons why former employees resigned from their jobs and to derive measures on how to retain employees in the future, the KION Group launched global exit interviews in 2023. These interviews are conducted in most countries in which the KION Group operates via the groupwide HR IT system. The KION Group attaches great importance to identifying potential for improvement when it comes to activities and measures which contribute to the motivation of employees, and which strengthen their identification and satisfaction with the KION Group as an employer.

Employee feedback

Since 2021, the KION Group has been conducting annually a global employee survey called KION Pulse. It addresses topics such as internal communication as well as collaboration and reflects personal perspectives. The survey provides important insights on how to further improve employee engagement and motivation. The aim is to gather ideas, suggestions, and proposals from all employees, which contribute to positive organizational development and sustainable growth for the KION Group. At the same time, the survey serves as a basis for measures to promote employee satisfaction, motivation, and commitment. This further anchors the corporate culture and enhances the KION Group's attractiveness as an employer of choice.

Follow-up measures mostly take place at team level. Examples for an improved employee experience are the redesign of the onboarding experience for new talents, the introduction of collaboration talks to further improve exchange and effective cooperation across departments, and voluntary working groups for all employees to drive forward specific topics.

The engagement score determines employee satisfaction and motivation with a score between one (weak) and 100 points (very good). It provides information on the attractiveness of the KION Group as an employer. The 2023 survey resulted in a stable engagement score of 74 points as in the previous year, aiming to be further

improved for target path ($\rightarrow$ Sustainability strategy). This year's participation rate exceeded the strategic target with 80 percent. It continuously increased from 77 percent in 2022 and 64 percent 2021. Details on the employee satisfaction by gender, age structure and management level are to be found in $\rightarrow$ Further disclosure on 02 | Talent.

Development of employee satisfaction in KION Pulse

64%   77%   80%

74

Engagement score
(2021, 2022, 2023)

Participation rate

2021   2022   2023
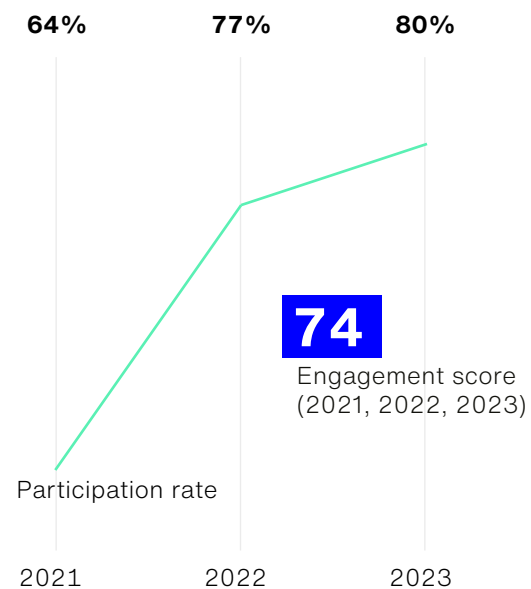
Female share in workforce and management level

	2023	2022
Female employees in total workforce (% of total workforce)	**18.2%**	**17.8%**
Female employees in all management positions (% of total management positions)	17.9%	17.2%
Female employees in junior management positions (% of junior management positions)	16.8%	16.0%
Female employees in top management positions (% of top management positions)	14.3%	12.5%
Female employees in management positions in revenue-generating functions (% of all revenue-generating management positions incl. support functions)	11.6%	10.8%
Female employees in STEM-related positions (% of STEM positions)	12.6%	12.0%

Based on headcount as at balance sheet date 31/12/.
Science, technology, engineering and mathematics (STEM).

Diversity, equity and inclusion

The KION Group promotes a culture of diversity, equity, inclusion, and psychological safety while developing attractive career and development opportunities. It is committed to treating all employees with the same respect, regardless of personal characteristics such as gender, color, ethnic or social origin, age, or religious beliefs. For employees with disabilities, the aim is to keep them in employment and to avoid any further barriers or restrictions. In addition, the KION Group

attaches great importance to adhering to its values and to promoting constructive collaboration by listening and considering other perspectives and ways of thinking.

In 2022, the KION Group established a Diversity & Inclusion (D&I) Council to steer progress of the diversity and inclusion activities. Supported by HR and business leaders, it is chaired by two executives of the largest Operating Units (ITS EMEA, SCS) for operational implementation and sponsored by the CPSO. In 2023, the council was strengthened by one representative of each internal Employee Resource and Networking Groups, such as BOLD – Black Organization Leadership Development, Parents@KION network and Women@ KIONHQ. The KION Group supports those groups,

which represent internal supportive communities for employees with similar characteristics or experiences, and which create a sense of belonging for all employees. With their involvement, the KION Group gains valuable perspectives and insights into and from employee groups that are often underrepresented and display important dimensions of diversity.

One of the first activities of the D&I Council and a highlight in 2023 was the implementation of the groupwide Diversity & Inclusion Awareness Month in June. The month was divided into four different focus topics:

— Respect as a key to diversity and inclusion,
— Let's tackle our unconscious biases/prejudices,
— Power of support,
— Let's celebrate diversity.

Worldwide celebration embraced human differences, united strengths, and deepened the understanding of diverse perspectives. From workshops and mandatory e-learning for all managers on unconscious bias to keynotes and engaging discussions on inclusive leadership and allyship, the KION Group's commitment and dedication was evident. As the pilot was successful, it is planned to repeat the awareness month annually.

Diversity also plays a vital role in employee development programs and e-learning modules. In 2023, the KION Group added, for example, an additional module to the German management training 'Fundamentals of Personnel Management' ('Grundlagen der Personalführung') focusing on diversity, equity and inclusion. In addition, a global e-learning course on the topic 'How does unconscious bias affect the workplace' was rolled out to more than 38,000 employees with IT access in 24 languages, and mandatory to complete for managers – new employees are enrolled automatically (→ Training measures on compliance issues). As the KION Group considers itself a global player with intercultural awareness, it usually prefers to have an international composition of employees when staffing supra-regional projects and training programs. It even encourages international collaboration through its KION Global Mobility Program, which supports employees in gaining experience in another country where the KION Group is represented.

As another highlight in 2023, KION GROUP AG signed the ↗ Diversity Charter (Charta der Vielfalt), an employer initiative by a German association, to further emphasize, also in public, the company's commitment to promoting diversity and non-discriminatory space in the work context.

Signatory of Diversity Charter

Poster of Diversity & Inclusion month

Besides participating in this initiative, the KION Group has already been involved in the German initiative ↗ Chef:innensache (formerly Chefsache) network since 2019. This network is dedicated to equal opportunity and is under the patronage of the German Chancellor with participation from leaders in business, academia, the media and the public sector. In 2023, the Chef:innensache initiative has been re-established as a registered association. The legal form should take even better account of the demands and activities. Further-more, Dematic (USA) is active in the material handling industry Diversity Equity and Inclusion Advisory Committee and shares best practices.

Employee support programs

As a socially responsible employer, the KION Group offers modern family policies and employee support programs to support its employees' health and well-being. Flexible working hours as well as part-time work and working-from-home arrangements are being offered at most KION Group sites based on local or regional agreements or initiatives.

Also, the KION Group perceives that activities for employees to cope with stress as well as mental and physical fatigue are becoming more and more important. Thus, the KION Group introduced an Employee Assistance Program (EAP) in several KION Group entities in Germany in 2023 as uniform workplace health promotion measure and employee benefit. The EAP offers employees professional, external, short-term advice on health, professional and personal issues. The focus lies on psychological support and on topics such as family and care, and family and partnership, as well as on (mental) health and life balance, including (work-place) stress management and approaches to, for example, dietary and behavioral changes. The aim of the EAP is to ensure improved inclusion for employees and

make it easier to combine work and family life. EAPs already existed at multiple entities abroad, for example in UK, Italy, and France as well as in the USA, Canada, Mexico, and Australia to provide employees assistance for issues that may affect their everyday work and personal lives.

A query in 2023 among most KION Group entities showed that more than half of the entities have implemented any form of sport or further health benefits for their employees on the local level. Examples are gym partnerships or reimbursements, or onsite fitness facilities. The same query revealed that different initiatives are in place locally to help employees arranging company interests and circumstances worth being protected arising from private life. Besides EAPs, this includes benefits such as paid parental leave, paid family or care leave, breastfeeding support, childcare facilities, or allowances as well as social protection.

Since 2023, all KION Group entities in Germany offer company-sponsored bike leasing. At most German sites, a financial incentive to use public transport (Deutschland-Ticket) is available. On the one hand, these offers aim at supporting green mobility; on the other hand, they aim to contribute to the health and well-being of the KION Group's employees and their families.

Products

Product and solution safety

By developing and enhancing safety features in its products and solutions, the KION Group strives to prevent accidents and damages to people, goods and the environment.

Safety feature highlights 2023

ITS segment
Reverse Assist Camera

ITS offers an eary detection of people and obstacles in backward movement to prevent accidents.

SCS segment
Non-Contact Accumulation Declined Model 9365

SCS continued developing offerings focused on reducing sound levels in customers' facilities.

Dimensions of product safety

+ **Safe and ergonomic products**

+ **Driving industry standards**

+ **Continuous development and improvement based on customer interaction**

3.4

Average number of selected safety features per industrial truck in 2023 progressing towards the target of 4 in 2027

95%

ISO 9001 certification rate in 2023 of the KION Group and its operational entities

ISO 9001 is a standard that provides the minimum requirements for quality management systems.

03 | Product and solution safety

For the KION Group, customer safety and the safe, ergonomic operation including the mitigation of noise pollution are key elements in developing and enhancing its product and solution portfolio. The KION Group considers its portfolio of safety features outstanding and at the top of the industry. The KION Group strives to ensure a competitive and compelling value proposition to customers.

As part of the product development process, all products are checked for potential improvements in terms of their health and safety impact, considering the experience from previous projects, safety-related incidents and customer surveys. To ensure the highest level of safety for both operators and the environment, the KION Group's standards for its products and solutions usually transcend the legal requirements and are backed up by numerous tests and trials with industrial trucks (↗ NfR 2023: Commitment to safety standards). Besides procedures such as the simulation of different driving conditions or load tests, the KION Group also employs test methods developed in-house in the product development process.

From a compliance perspective, the KION Group is proud to report that there were no reported incidents of non-compliance with regulations concerning health and safety impacts of products and services that resulted in a fine or penalty during the course of the year 2023.

Product and solution safety in the ITS segment

The ITS product portfolio excels by including multiple safety features as standard equipment of forklifts and warehouse trucks (↗ warehouse safety). Additionally, active and passive safety assistance systems offer protection and therefore reduce the risk of accidents. Active assistance systems are highly advanced and actively intervene in hazardous situations, for instance by reducing speeding or stopping the truck. Various safety packages guarantee that the trucks optimally meet the requirements in their respective areas of application.

Mission statement

By developing and enhancing safety features in its products and solutions, the KION Group strives to prevent accidents and damages to people, goods and environment.

The KION Group pursues the strategic target to increase the average number of selected safety features per industrial truck to four by 2027. With 3.4 safety features per truck ordered, the indicator shows a slightly positive trend in 2023 (2022: 3.3) (→ Sustainability strategy, ↗ NfR 2023: Improving customer safety). The indicator counts the number of safety features ordered by customers in addition to the standard truck (which is

safe in accordance with legal requirements) in relation to the number of sold forklifts. The safety features can be assigned to the areas of optical-acoustic safety features (for example, ↗ SafetyLight), access authorization/fleet management (for example, access control), mechanical solution to increase safety (for example, swiveling seat), and assistance systems with optional intervention in driving controls (for example, ↗ Speed Assist). The forklifts include counterbalance trucks under a tonnage of 10 t, reach trucks, and Very Narrow Aisle (VNA) trucks, which are produced in the respective Operating Units. KION North America is currently not included, but is foreseen to join for 2024. The criteria for the calculation are kept consistent for reported years since introduction in 2021.

One highlight of portfolio extension released by ITS EMEA in 2023 is the new smart camera with person recognition, called Linde Reverse Assist Camera. The intelligent camera distinguishes people from other obstacles in real time. Depending on the distance of the detected person, the operator is warned visually and acoustically in stages. This warning function can be combined with a speed reduction of the truck.

Product and solution safety in the SCS segment

The SCS segment focuses equally on a practice of continuous improvements and is dedicated to delivering safer workspaces. Dematic continually assesses, identifies, and mitigates potential safety risks across the entire product line during the development process. The safety of products and solutions is regularly evaluated to keep users safe and meet customer needs. SCS complies with very high safety standards, commonly going beyond regional legal requirements (↗ NfR 2023: Commitment to safety standards).

Employee exposure to elevated sound levels poses a major challenge. A target sound level below 85 dB(A) at workstations is currently one of the requirements for new product development in the SCS segment. In special cases, a threshold of 80 dB(A) or 70 dB(A) is considered. A corresponding indicator is under development (→ Sustainability strategy).

In 2023, the SCS segment launched the Dematic Noise Reduction Portfolio, a comprehensive solution to address loud work environments across supply chain facilities and reduce noise at the source by up to 15 dB(A). As part of the new portfolio, Dematic initially conducts ↗ 3D noise mapping tests at customer facilities to identify and visualize acoustic hazards. The SCS segment offers a noise model which simulates how

upgrading the existing material handling equipment can reduce noise levels. Based on the findings, Dematic recommends upgrades and installs noise-reduction solutions such as quiet rollers, slats, and conveyors as needed.

Warehouse automation using Dematic's ↗ Automated Guided Vehicles (AGVs) and ↗ Autonomous Mobile Robots (AMRs) is another means to introduce more worker safety features. The AGVs and AMRs are industrial robots designed to lift and transport materials and avoid obstructions. These robots help reduce manual accidents, facilitate free limited labor for more valuable tasks, and create safer and more efficient workplace environments while offering protection to the KION Group's customers' employees, facilities, and materials.

Solution safety takes a different form when supporting SCS customers' operations at extreme. Dematic offers drone inspection services to reduce the need for technicians to use complex safety gear at high altitudes. This service allows for regular safety checks and visual inspections to be done faster and safer, especially when working at heights which can be challenging during hot summer months. The drones are controlled by trained, licensed Dematic service employees. The time required for a Dematic drone inspection is about 30 percent of the time needed to complete a manual inspection.

Close exchange with customers on safety

Exchange with its customers, especially on safety topics, is of great importance to the KION Group. Internal and external trade fairs such as LogiMAT, Linde World of Material Handling, Linde Driving Days and STILL Customer Days are organized. Furthermore, customer training sessions in both the ITS and SCS segments provide an opportunity to demonstrate to the customer the importance of safety, and to accentuate the potential of optimizing their applications through direct contact.

Ergonomics as a development goal

The KION Group aims to minimize the strain on operators by ensuring that its products are as ergonomic as possible. The range of standard and optional equipment available to customers in the ITS segment is constantly being expanded. The particular emphasis lies on reducing shock and vibration, to which the operators of forklift trucks and warehouse products are exposed during their day-to-day work.

Measures designed to contribute to optimizing vehicle operation for maximizing ergonomics focus on the interaction between operator and machine. For example, the driver's compartments like decoupled cabins, with adjustable elements such as vibration-damped seats, armrests and steering columns as well as particularly ergonomic operator stances on low-lift pallet trucks. In 2023, an electric steering system, the ↗ Linde Steer Control, was introduced in a newly designed left armrest

on Linde counterbalance forklift trucks, replacing the steering wheel with a mini wheel or joystick which reduces the fatigue in the operator's arms.

In the SCS segment, the KION Group has made a clear commitment to ergonomic requirements to increase worker safety by ensuring that all newly developed workstations have a low-risk category Rapid Upper Limb Assessment (RULA) score. The RULA is a tool that

Linde Steer Control – mini-wheel variant

allows the risk of musculoskeletal loading within the upper limbs and neck to be calculated. In 2023, the SCS segment introduced the recontainerizing station, featuring an ergonomic design that improves worker comfort and efficiency. With a 10-degree donor tilt, this picking station facilitates more fluid and accessible worker interactions while minimizing the amount of motion required by workers. Additionally, the station includes an adjustable platform, allowing it to accommodate workers of varying heights.

Safety standards and quality

The KION Group actively drives safety standards for the industry. Market observation and regular exchange with customers support the development of new safety solutions. By participating in various standardization groups, the KION Group helps to shape guidelines and aims to actively raise safety standards across the industry to a higher level, which offers the opportunity to be a pioneer in an important field of sustainability.

In 2023, Dematic's Product Safety Engineer accepted the responsibility to chair the ISO/TC 101 initiative to standardize globally, the safety requirements for continuous handling equipment and systems for fixed belt conveyors of bulk materials. Today, there are various different EU and North American standards for safety. By chairing this ISO/TC 101 initiative, the SCS segment of the KION Group is actively shaping the future of employee safety in distribution customer facilities.

Quality is a central value proposition that encompasses all products, solutions, and processes. The quality management systems of the KION Group and its operational entities are certified according to ISO 9001. At the end of 2023, 95 percent (2022: 92 percent) of all production plants and administrative offices as well as the entire Chief Technology Officer (CTO) organization were covered by the certification.

Product and solution sustainability

The KION Group strives to design products, solutions, and services for its customers that are highly sustainable. These products and solutions are therefore considered essential enablers for the KION Group's sustainability targets.

Product lifecycle assessments for

6
truck series

conducted internally by the KION Group in 2023

Highlights 2023

SCS segment
Focus on energy efficiency

SCS continued developing high efficiency motor drive technologies to promote energy savings.

ITS segment
Focus on shift from IC to E

The X35 - X5 combines the power of an internal combustion forklift truck with the characteristics of an electric-driven truck.

Focus on hydrogen

The KION Group opened its first production line for 24-volt fuel cell systems at STILL in Hamburg.

Electrification of products
KION ITS order intake units, FY 2023

9% IC-trucks   **31%** E-trucks

91%
Electrified products[1]

60% E-warehouse trucks

1 Proportion of electric-powered products in ITS segment in order intakes in terms of units in new business; data source: World Industrial Truck Statistics (WITS)/Fédération Européenne de la Manutention (FEM).

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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13 CLIMATE ACTION

04 | Products and solution sustainability

The KION Group strives to design products, product lines, solutions, and services for its customers that are highly sustainable. These products and solutions are therefore considered essential enablers for the KION Group's sustainability targets. To achieve these targets, the 'Product and solution sustainability' action field focuses on climate-friendly and environmentally friendly products and solutions that contribute to the reduction of GHG emissions (↗ NfR 2023: 04 | Product and solution sustainability).

A versatile product portfolio is thus required: Physical units, software and services must meet the requirement to implement sustainability in all phases of their life cycle – from design and production to use phase and end of life – in the best possible way. The KION Group strives to make the environmental impacts of products and solutions fully transparent to internal and external stakeholders. For this, lifecycle assessments (LCAs) are an important tool for the continuous improvement of the KION Group's sustainability performance.

Transparency through lifecycle assessments

The KION Group has gained considerable knowledge about LCAs and remains committed to continuous improvement in this area. In terms of product LCAs in the ITS segment, the KION Group conducted LCAs for six truck series in 2023. In the SCS segment, the team continued to pilot and conduct industry-pioneering lifecycle assessments (LCAs) for their solutions. Efforts are being made to strengthen synergies and collaboration between the ITS and SCS segments with regard to LCAs, resulting in the sharing of knowledge, resources such as tools and software, data collection and methodology. The KION Group expanded the teams of dedicated sustainability specialists that are leading LCA certification efforts and has also agreed on a roadmap that outlines which products will be analyzed in the coming years in a software-aided process.

Additionally, the KION Group takes an important step by embracing the cradle to cradle (C2C) approach in rethinking products in terms of material safety and recyclability. As a pilot project focused on the SCS segment, the Multishuttle puts a distinct priority on materials like metals and plastics that have outstanding recyclability potential (→ 06 | Circularity). In the area of LCA and C2C certifications, the KION Group is in the process of fine-tuning meaningful indicators and corresponding mid-term targets (→ Sustainability strategy).

The knowledge gained from conducting LCAs will have a significant impact on the KION Group's future products and solutions, as new insights can already be incorporated during the design phase. In parallel, the product creation processes of the ITS and SCS segments are being further developed with a focus on energy efficiency and material selection. This will also support the KION Group's goal within the SBTi commitment (→ 05 | Climate and energy).

Reduction of GHG emissions through electric drives

According to LCA results in both segments and assuming that customers use a standard energy mix, the emissions footprint of a product is largely impacted by the amount of energy consumed during the use phase. For this reason, the KION Group strives to reduce the Scope 3 GHG emissions of products and solutions (3.11 use of sold products). An important step in this direction is the increase in the share of vehicles with electric drive.

At the end of 2023, most of the products and solutions sold at KION Group were equipped with an electric drive (→ Sustainability strategy). In 2023, this accounted for 91.1 percent in the ITS segment, exceeding the strategic target to strive for an electric-focused portfolio including battery and fuel cell-driven products by increasing the share of electric-powered vehicles sold annually to 90 percent by 2027 (2022: 88.1 percent). In the SCS segment, all solutions are 100 percent electrified.

In 2023, the KION Group launched the X35 – X50, a forklift truck that combines the power and durability of an internal combustion forklift with the agility and zero emissions characteristic of an electric-driven truck. Due to a dual-motor front-wheel drive with permanent magnet-assisted synchronous reluctance motors, the performance and energy efficiency were significantly improved compared to previous models.

Energy efficiency in the ITS segment

When comparing electric propulsion technologies available on the truck market today, lithium-ion batteries offer key advantages over conventional lead-acid batteries such as faster charging times, increased charging efficiency, a three- to fourfold service life and much higher energy content. Moreover, the energy efficiency of lithium-ion batteries surpasses 90 percent, enabling customers to achieve approximately 30 percent energy savings and GHG emissions reduction compared to a conventional battery-charger combination.

Thanks to its in-house production facility, the KION Group has been able to diversify its range of products featuring high-performance batteries. Since 2020, KION Battery Systems GmbH (KBS) has been manufacturing lithium-ion batteries for industrial trucks, combining research, development, and production under one roof to optimize coordination and eliminate potential sources of error. In addition, KBS aims to satisfy the strong demand for vehicles equipped with this battery technology in Europe. Beginning in 2023, the facility also started to manufacture 36-volt batteries, in addition to 24-volt, 48-volt, and 80-volt batteries for warehouse and counterbalance trucks. In 2023, the plant produced approximately 18,900 batteries in single shifts.

To enhance efficiency even further, the KION Group actively considers overarching on-site energy management on customers' sites. In the ITS segment, for instance, solutions are being developed for the smart connectivity and control of chargers. This approach enables the efficient management of available electricity depending on the area of application. Besides that, data-based analysis software will enable the KION Group's customers to reduce energy costs and promote the achievement of sustainability targets through flexible procurement on the energy markets and the optimal use of energy.

Energy efficiency in the SCS segment

Innovation, optimization, and efficiency are the key aspects driving the SCS segment's efforts to support the KION Group's customers in achieving their sustainability goals in warehouse automation. The implementation of such initiatives is focused on improving energy and process efficiency and reducing resource consumption.

The SCS segment continues to implement high-efficiency drive technologies into the standard line of products, ensuring efficient use of electricity and helping customers decrease their energy usage. These technologies contribute to the reduction of GHG emissions while maintaining

high performance and reliability to customers. In 2023, the SCS segment launched a program that enables customers to retrofit Dematic's most widely installed models with upgraded, high-efficiency motors. This initiative enables customers to reach their sustainability goals by reducing kilowatt usage by up to 25 percent while extending the lives of their existing systems.

Further, the SCS segment focuses on advancing cloud-native software capabilities. Software serves as the brain of any supply chain automation solution, driving operational efficiencies, improving inventory visibility, and enabling robust data analytics. Dematic software is designed around four functional pillars:

— Business process integration enabling end-to-end distribution processing,
— Dynamic flow allowing optimized throughput,
— Intuitive user experience to promote efficiency, and
— Extensibility to spur customer growth.

Cloud-computing technologies, coupled with advancements in artificial intelligence and machine learning, will play a pivotal role in enhancing a facility's operations and support customers in reaching their sustainability goals. The investment of the SCS segment in cloud computing enables customers to extend the life of their hardware investments, optimize workforce resources, and dynamically scale up during peak times. The SCS segment offers solutions tailored to multiple cloud environments, helping to reduce customers' environmental impacts through reduced material consumption and improved energy efficiency.

Focus on hydrogen

The KION Group is committed to providing the ideal solution for every application in its portfolio, irrespective of the drive technology. As part of this commitment, the KION Group offers trucks with fuel cell technology, providing customers with an environmentally friendly energy alternative. For example, Linde Material Handling has one of the largest fuel cell fleets used in the production site of a German automotive group. To the KION Group's knowledge, STILL currently has Europe's largest fuel cell fleet in operation at a French retailer company with over 100 industrial trucks.

Customers who want to acquire a hydrogen-powered forklift fleet are faced with a big step, because in many cases the entire necessary infrastructure must first be

STILL Fuel Cell System

built. This requires engineering specialists who advise the customer, prepare feasibility analyses, and take over project management right through to implementation, service, and maintenance. KION ITS EMEA is cooperating with respective partners, providing the best fuel cell truck solution for the customer.

In this backdrop, the KION Group inaugurated its first fuel cell system production facility in 2023. While production started with high-performance 24-volt fuel cell systems for warehouse trucks, the Group is concurrently developing a 48-volt fuel cell system. Additionally, in 2023, the KION Group celebrated the launch of the first hydrogen dispenser at one of its production sites in Germany. This pilot initiative leverages renewable energy sources to generate GHG-emission-free hydrogen, which is used to power a fleet of twelve trucks operating on the premises.

Standardization and idea management

The KION Group strives to be forward-thinking and actively shape important industry sustainability standards. Regular stakeholder consultations, such as active involvement in the new ↗ VDMA 'Material Compliance' practice guide, which was published in 2023, underscore the KION Group's emphasis on environmental product requirements. In 2023, the KION Group also participated

in the EU Commission's consultation on the inclusion of lead metal in the list of substances subject to authorization under the REACH Regulation (↗ NfR 2023: Conflict minerals and conflict areas).

The KION Group aims to strengthen the company-wide culture of innovation and sustainability. To cultivate enthusiasm among its employees, idea competitions on product sustainability were initiated. One campaign which was launched in 2022 and conducted in 2023 was open to all employees of the CTO organization. They were encouraged to propose ideas for solving a given technical problem with a sustainability focus. A total of 60 ideas were submitted, three of which were selected and presented to the CTO and the CTO's direct reports, feasibility investigations will be ongoing in 2024. The campaign will be conducted annually with a changing focus.

In pursuit of a culture of innovation in the SCS segment specifically, the Dematic Innovation Day, a companywide competition is held annually to push Dematic's capabilities to the leading edge of the market. In 2023, more than 50 employees and teams submitted ideas for the competition, challenging how the SCS segment can improve its products, modules, and experiences for customers. Winning ideas are injected into the commercialization process and assigned project managers for further development.

Processes

Climate and energy

The KION Group is pursuing the target of achieving net-zero greenhouse gas emissions (GHG) along its entire value chain before 2050 and is committed to the Science Based Targets initiative (SBTi). Beyond its own operations, the Group fosters the close cooperation with customers, suppliers and business partners regarding energy, resource efficiency and climate action.

Share of GHG emissions of Scope 1, 2 and relevant Scope 3 categories in 2023

1% Scope 1 and 2

21% Scope 3 upstream

78% Scope 3 downstream
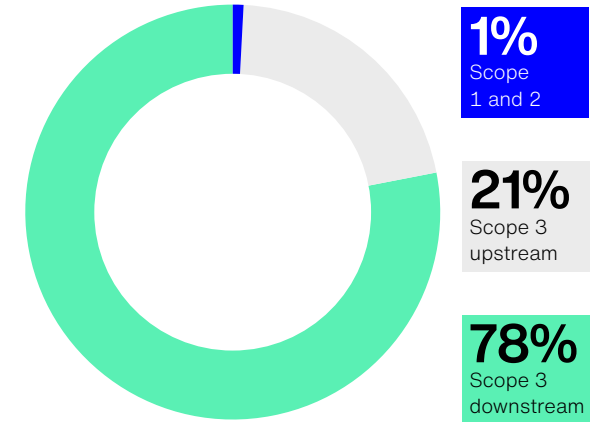
20.3%

Use of energy from renewable sources

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

26.3%

Reduction of absolute GHG emissions (Scope 1, 2, 3) compared to 2021

↗ CDP Climate Change 2023
Leadership A-

Net-zero and SBTi committed
Path to 1.5°C (net-zero)

Near-term science-based target

Long-term science-based target

Net-zero at the latest

Absolute reduction
Scope 1 and 2
Scope 3

2015 2021 2025 2030 2035 2040 2045 **2050**
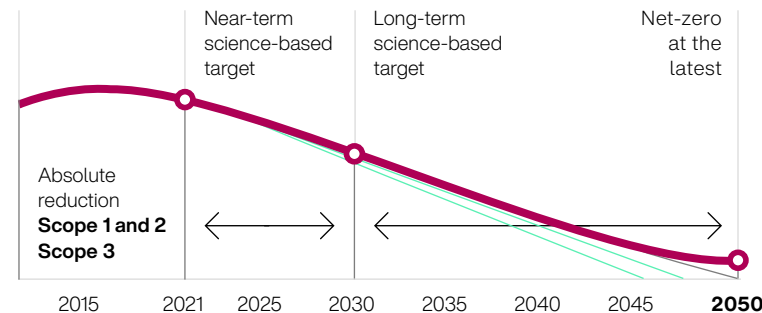
Total GHG emissions

in kt CO_2e (Scope 1, 2, 3)

Year	Value
2023	14,940
2022	18,239
2021	20,266

05 | Climate and energy

Since the very first materiality analyses in 2015/2016, the KION Group has identified climate action and climate change mitigation as material topics for its sustainability strategy in both dimensions, the organizational impact as well as the financial materiality (↗ NfR 2023: Groupwide materiality analysis, 05 | Climate and energy). Worldwide efforts to address global warming and corresponding challenges for the planet demand decisive climate action from the Group and its partners. The KION Group bases its activities on the Agreement of the United Nations Climate Change Conference in Paris 2015 (Paris Agreement) and its objective of limiting global warming. The sustainability action field 'Climate and energy' focuses strongly on climate action and climate risks, but also covers the topics of (local) environmental protection like water and waste as well as biodiversity.

Climate target: net-zero along the entire value chain by 2050 at the latest

In July 2023, KION GROUP AG formally committed to net-zero greenhouse gas (GHG) emissions by 2050 at latest and to the Science Based Targets initiative (SBTi) (→ Sustainability strategy). Strategic targets that are aligned with the current net-zero criteria of the SBTi – a methodological framework for achieving the Paris Agreement's goal of limiting global warming to 1.5°C – were adopted and are currently refined. In these efforts, the KION Group's climate and energy management takes the entire value chain (Scope 1, 2 and 3) into account and pursues a holistic decarbonization approach. Beyond the Group's own operations, the KION Group intends to closely cooperate with its customers, suppliers, and business partners regarding energy use, resource efficiency, the reduction of GHG emissions, and climate change adaptation.

As the next milestone in its decarbonization journey, the KION Group is pursuing near-term GHG emission reduction in Scope 1, 2 and 3 by 2030 compared to 2021 (→ Sustainability strategy). 2021 to 2030 is considered a reasonable timeframe for achieving the near-term targets. As it is the first year for which regular calculations of material Scope 3 emissions are available groupwide, 2021 was selected as the base year of the current climate targets. The business volume of 2021 represents a relatively usual year for the KION Group whereas 2020, for example, was heavily influenced by the pandemic. The years after 2020 were also influenced by special global developments, such as an energy crisis, shortages in supply chains as well as the adaptation to the consequences of the pandemic situation. However, the intention to take a longer perspective on the development of value chain GHG emissions while analyzing potential special effects led to the selection of the earliest base year in 2021. No major recalculations of 2021 emissions values resulted since the base year definition except minor adjustments of emissions factors and adding Scope 3 categories.

Further details of the near-term reduction goals and the specific net-zero target year are currently being defined together with a corresponding roadmap, a thorough review of the base year and a net-zero transition plan. Near-term as well as long-term climate targets are aimed for SBTi validation in 2024.

In addition to pursuing net-zero reduction targets, further adjustments to the strategic targets in the 'Climate and energy' action field were implemented in 2023. A new strategic performance indicator was introduced: By increasing the share of renewable energy used in the KION Group's operations and at its sites, the main lever for Scope 1 and 2 GHG emissions is addressed. Specific targets are to be defined over the course of 2024 in line with the climate targets that are to be validated.

While the current work to comprehensively revise the climate strategy and prepare the formal SBTi commitment started in 2021, the first science-based climate targets – developed by using SBTi methodology without validation – that the KION Group established in 2017/2018 were achieved in 2022 ahead of schedule. The absolute energy-related GHG emissions (Scope 1, 2, and 3.3) was reduced by 30 percent compared to the level in 2017. The KION Group achieved the target by a variety of successful local energy efficiency measures at KION Group sites leading to an overall reduction of energy use despite revenue growth. At the same time, the share of renewable energy use was increased through bundling and starting to transform electricity sourcing and partial replacement of fossil fuel use. Based on these first successes the KION Group continues to work actively towards net-zero.

Active management of climate and energy aspects

In order to steer the net-zero transformation, climate action is one of the key subjects discussed by the sustainability action fields, the OUs and the central team within the Sustainability Council. As a cross-functional topic covering all areas of the KION Group and its value chain, the action field is led by the Central Sustainability team and closely interconnected with other action fields such as → 06 | Circularity and → 07 | Supply chain. In this governance structure, there is direct oversight of the climate program by the CPSO with regular reporting to the whole Executive Board, which represents the Board-level committee dealing with climate matters. Within the Supervisory Board, climate aspects are mainly discussed in the Audit Committee, which is also the committee responsible for all sustainability and Environmental, Social, Governance (ESG)-related matters. To anchor climate action broadly within the organization, climate is integrated in the Executive Board and senior management compensation: specifically, as part of the short- and long-term incentive instruments. In terms of long-term incentives, the indicator is the S&P Global CSA score, which considers climate-relevant criteria together with other ESG areas. The relevant indicator affecting the short-term incentive instrument relates to

the external certification of environmental management systems at KION Group locations according to ISO 14001 or equivalent (↗ Remuneration report 2023). The remuneration scheme is under regular review to ensure its effectiveness.

In 2023, the KION Group also explored several options for enhancing the governance specific to the action field 'Climate and energy.' Amongst others, the Group explored adaptations to the involvement of boards on different levels and ways to improve the coordination between the action field lead, corporate functions, Operating Units and local teams. The process of continuous improvement will go on in the context of the net-zero roadmap development in 2024.

With regard to risks and opportunities, climate risks are generally part of the Group's risk management process. The climate risk catalogue has been revised and is currently being implemented. Chronic physical risks are being progressively analyzed with external partners for selected sites using different scenarios in order to discuss impact and mitigation or adaptation measures with local teams. In 2023, interdisciplinary teams took a closer look at transition risks and opportunities for the Group in different workshops and workstreams. In 2024, the results will be integrated in the existing risk process. The continuous assessment of climate risks and opportunities together with required financial resources, investments and return related to climate action is an integral part of the active climate performance management of the KION Group.

For further transparency, the KION Group actively discloses details on climate aspects, for example on governance, risks, opportunities and climate performance indicators, through the non-profit disclosure platform CDP (↗ CDP Climate Change questionnaire) since 2018. In addition, the climate management of the KION Group is regularly assessed by CDP based on the information provided by the KION Group. Overall, stepwise progress in different areas of climate action is mirrored by the confirmed leadership level A- for KION GROUP AG in CDP Climate Change in 2023. The scores range from F (failure to disclose) to A (leadership). In addition, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) are incorporated (→ TCFD content index).

The KION Group's measures to reduce emissions and the atmospheric concentration of GHGs follow clear principles: the Group will constantly strive to cut absolute GHG emissions from direct and indirect sources in the entire value chain by optimizing its own operations as well as engaging with suppliers and customers. In addition to reduction measures, it will endeavor to replace its energy sources and processes with lower-emission ones. Along with technological, physical, and economic potentials for absolute reductions, the Group intends to explore nature-based solutions for further climate change mitigation beyond net-zero, after thoroughly assessing each solution in accordance with the best available science-based standards and certification. If, as a last resort, nature-based solutions need to be partly accredited to neutralize remaining GHG emissions in the value chain, their use will be kept to a minimum within the applicable rules stipulated by SBTi. The KION Group's climate management primarily addresses carbon dioxide (CO_2), as it is the most relevant contributor. Other GHGs, such as methane, nitrous oxide, hydrofluorocarbons, sulfur hexafluoride, and nitrogen trifluoride, are considered where applicable and possible.

During 2023, the KION Group continued to work on a detailed roadmap that considers scenarios for the transformation of the Group and the development of the economy as a whole. This also includes the definition of potential intermediate targets. In this context, the KION Group identified three main levers to drive its climate strategy:

— Maintain and expand active climate performance management by further breaking down targets into individual actions (for example, by when 100 percent of electricity used in own operations will come from renewable sources); continuous monitoring and evaluation of progress and success; leveraging location, technology and value-chain-partner-specific potentials; and allocating clear responsibilities.
— Drive systematic integration of climate action into business decisions (for example, by establishing an internal carbon price) and include it in the programs of other sustainability action fields.
— Foster engagement and close collaboration with value chain partners and their sustainability strategies (for example, by exchanging information relevant to climate topics or by aligning targets).

To get the network of experts actively involved, the Central Sustainability team regularly shares experiences and best-practice examples. Measures to raise awareness among the workforce help anchor the climate goals in the minds of all KION Group employees and continually remind them how they can contribute.

Progress in 2023 across Scope 1, 2 and 3

With regard to Scope 1 and 2 GHG emissions, the KION Group further implemented ongoing measures on the basis of local energy or environmental management systems, for example:

— Switching to energy-efficient motors in equipment and machinery,
— Recovering waste heat in production and optimizing heating systems and building infrastructure,
— Extending LED lighting technology,
— Optimizing routes in sales and services,
— Implementing measures around the electrification of transportation and logistics in own operations by using stepwise non-fossil-fuel-based technologies in own fleets and extending the necessary infrastructure on site,
— Increased sourcing of energy from renewable sources and using further options for the self-generation of energy based on renewables, especially using solar energy,
— Building awareness and energy saving by employees.

In addition to specific initiatives, dedicated energy management systems (in accordance with ISO 50001 or an equivalent standard) ensure a systematic local program in subsidiaries with high energy consumption. Regular internal and external energy audits, quantified targets, actions and progress monitoring with focus on energy support the efforts to reduce energy use locally. At the end of 2023, 55 percent of KION Group locations had a dedicated energy management system in place, in addition to the broadly implemented environmental management systems. 15 percent of all Group locations were externally certified according to ISO 50001 or equivalent, representing 45 percent of the groupwide energy use.

In order to address energy use as one main driver for Scope 1 and 2, relevant targets and appropriate indicators to reduce energy intensity are currently explored centrally. The finalization and definition of a corresponding strategic target is planned for 2024.

As a result of the aforementioned efforts, energy use and GHG emissions were partially decoupled from revenue growth. The breakdown of the changes in Scope 1 and 2 GHG emissions and energy use, along with other relevant parameters, shows that the use of fossil diesel for the own fleet, natural gas for heating, coking coal in foundries and non-renewable shares in sourced electricity continue to be the main sources of GHG emissions. Overall, the KION Group achieved a

reduction by 2.2 percent in Scope 1 and 2 GHG emissions compared to the base year 2021. This means Scope 1 and 2 emissions remain at a lower level, but above the linear near-term reduction path. The newly introduced strategic indicator 'share of renewable energy use' was increased to 20.3 percent compared to 19.2 percent in 2021. However, the overall use of energy grew in conjunction with business activity.

> **"The global material handling industry has tremendous potential for climate protection, and as a leading global company, we have a special responsibility."**
>
> **Valeria Jimena Gargiulo**
> Chief People & Sustainability Officer (CPSO) of KION GROUP AG

Energy use by source

in GJ

	2023	2022	Change
Total energy use within the organization (direct and indirect)	**2,296,953**	**2,246,257**	**+2.3%**
Direct energy use	**1,571,993**	**1,535,295**	**+2.4%**
Non-renewable sources	**1,556,821**	**1,524,232**	**+2.1%**
Diesel	714,900	689,910	+3.6%
Natural gas	448,375	479,782	–6.5%
Coking coal	237,218	213,718	+11.0%
Gasoline	115,120	93,914	+22.6%
Others (oil for heating, CNG, LNG, LPG, coal, ethanol)	41,208	46,908	–12.2%
Renewable sources			
(solar, geothermal, woodchips, biodiesel, bioethanol, hydrogen)	**15,173**	**11,063**	**+37.2%**
Indirect energy	**724,959**	**710,962**	**+2.0%**
Electricity	624,461	607,544	+2.8%
Heating	99,622	103,418	–3.7%
Cooling	877	—	—
Share of renewable energy use	**20.3%**	**18.9%**	**—**
Self-generated energy not self-consumed	**5,403**	**5,766**	**–6.3%**
Energy sold	**8,453**	**7,615**	**+11.0%**
Electricity	7,589	6,576	+15.4%
Heating	864	1,038	–16.8%

Renewable energy is calculated as sum of fuels from renewable sources (e.g. geothermal, biofuels) and electricity from renewable sources (e.g. wind, solar) from market-based mixes or own installations.

Percentage of grid electricity used in relation to total energy consumed: 27.2% (2022: 27.0%). In 2023, the amount of self-generated, renewable energy (consumed and not) was 14,063 GJ (2022: 10,821 GJ).

Energy use since 2021

in GJ

2021	2022	2023
2,290,522	2,246,257	2,296,953
19.2%	18.9%	20.3%

■ Share of renewable energy use   ■ Fossil energy use
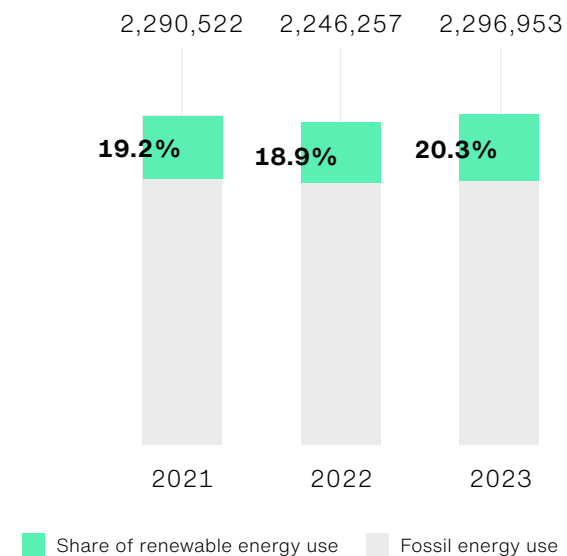
Greenhouse gas emissions - Scope 1 and 2 by source

in t CO_2e

	2023	2022	Change
Greenhouse gas emissions – Scope 1 and 2	**188,231**	**185,526**	**+1.5%**
(GHG emissions – Scope 1 and 2, market-based)	**(146,107)**	**(143,100)**	**+2.1%**
Direct (Scope 1)	**110,769**	**107,782**	**+2.8%**
Diesel	50,479	49,061	+2.9%
Natural gas	25,245	26,963	−6.4%
Coking coal	24,833	22,373	+11.0%
Gasoline/petrol	7,484	6,253	+19.7%
Others[1]	2,728	3,132	−12.9%
Indirect from energy purchased (Scope 2)	**77,462**	**77,745**	**−0.4%**
(Indirect Scope 2, market-based)	**(35,338)**	**(35,318)**	**+0.1%**
Electricity purchased	72,444	72,835	−0.5%
(Electricity purchased, market-based)	30,320	30,409	−0.3%
Heating purchased	4,974	4,909	+1.3%
Cooling purchased	44	—	—

Location-based data, (market-based data in brackets).

Explanation: Location-based greenhouse gas emissions are calculated by combining company energy use data and regional average emission factors (e.g. country electricity mix) whereas market-based calculations are using emission factors according to the company's specific energy mix as sourced from suppliers (e.g. certified renewable electricity).

Changes due to updates in emissions factors or global warming potentials are calculated retrospectively where applicable in order to ensure comparable methodology and data rows.

1 Oil for heating, ethanol, LPG, Coal, Woodchips, Hydrogen, CNG, LNG, bio-diesel, bio-ethanol.

Scope 1 and 2 GHG emissions in 2023

- **5%** Gasoline (fossil)
- **3%** Heating purchased
- **2%** Others (Scope 1 and 2)
- **35%** Diesel (fossil)
- **17%** Coking coal (fossil)
- **17%** Natural gas (fossil)
- **21%** Electricity purchased
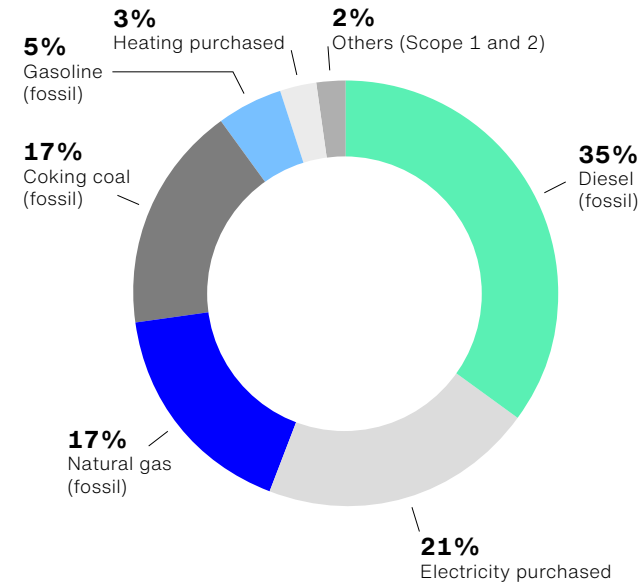
With regard to relevant Scope 3 categories, the KION Group closely cooperates with its customers, suppliers, and business partners regarding energy use, resource efficiency, the reduction of GHG emissions, and adaptation action.

Primary focus is on GHG emissions resulting from the use of sold products, as they make up the largest category (3.11). In this respect, customers are made aware of sustainability aspects when choosing solutions, operating them energy efficiently and with energy from renewable sources. In customer-related topics, a close alignment with the sustainability action field → 04 I Product and solution sustainability is key.
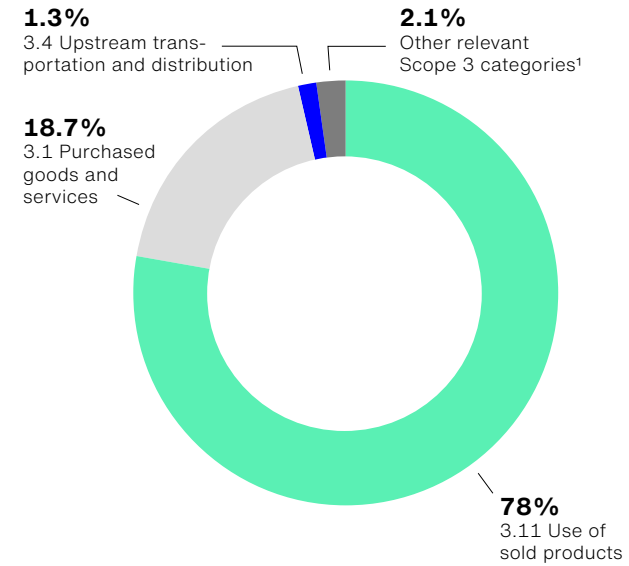
Purchased goods and services represent the second largest GHG emission category (3.1). As such, particular attention has to be paid to material-specific and supplier-specific GHG emissions in the KION Group supply chain as well as design and sourcing processes. Therefore, a close collaboration with the action fields → 06 I Circularity and → 07 I Supply chain plays an important role.

For both major Scope 3 categories, step-by-step integration of lifecycle assessment insights, material, supplier, and customer data, as well as engagement measures, are ongoing.

In 2023, in Scope 3 in total, a clear reduction of 26 percent compared to the base year 2021 can be stated. Besides volume effects, an increase of the share of electric vehicles sold in the ITS segment by three percentage points, for instance, and a higher lithium-ion equipment rate led to lower GHG emissions in the use of sold products (3.11). Within purchased goods and services (3.1), regional changes within the supplier base as well as grid greening in key supplier countries are decreasing the GHG emissions. On the other hand, for example, business travel increased with higher activity but with a low influence considering a share of 0.2 percent in total GHG emissions.

Total GHG emissions and individual categories are calculated and reported on the basis of the internationally recognized rules of the Greenhouse Gas Protocol.

Scope 3 GHG emissions in 2023

1.3%
3.4 Upstream transportation and distribution

2.1%
Other relevant Scope 3 categories[1]

18.7%
3.1 Purchased goods and services

78%
3.11 Use of sold products

1 3.12 End-of life treatment of sold products, 3.2 Capital goods, 3.3 Upstream fuel- and energy-related activities, 3.7 Employee commuting, 3.6 Business travel, 3.15 Investments, 3.5 Waste generated in operations.

Total greenhouse gas emissions

in kt CO_2e[1]

	2023	2022	Change
Total greenhouse gas emissions – Scope 1, 2, 3	**14,940**	**18,239**	**–18.1%**
Direct Scope 1	**111**	**108**	**+2.8%**
Indirect Scope 2 (market-based)	**35**	**35**	**+0.1%**
Material greenhouse gas emissions Scope 3[2]	**14,794**	**18,096**	**–18.2%**
3.1 Purchased goods and services	2,763	2,888	–4.3%
3.2 Capital goods	44	45	–1.8%
3.3 Upstream fuel- and energy-related activities	39	37	+4.1%
3.4 Upstream transportation and distribution	190	199	–4.2%
3.5 Waste generated in operations	13	15	–16.3%
3.6 Business travel	32	22	+49.8%
3.7 Employee commuting	33	33	–1.3%
3.11 Use of sold products + 3.13 Downstream leased assets (direct)	11,536	14,674	–21.4%
[3.11 Use of sold products + 3.13 Downstream leased assets (indirect)]	[2,938]	[3,559]	–17.5%
3.12 End-of-life treatment of sold products	121	161	–24.9%
3.15 Investments	23	23	+0.8%

The KION Group calculates and presents its GHG emissions on the basis of the internationally recognized rules of the Greenhouse Gas Protocol. In this context, consumption data is converted using emission factors, for instance for fuels derived from the database of the Department for Environment, Food & Rural Affairs (DEFRA) in the United Kingdom (year specific versions). Location-based emission factors for purchased electrical energy are retrieved from the ecoinvent database (year specific versions). Changes due to updates in emissions factors or global warming potentials are calculated retrospectively where applicable in order to ensure comparable methodology and data rows. Previous years data partially recalculated based on enhanced data base and methodology. Scope 1, 2 and relevant scope 3 categories refer to the KION GROUP AG and consolidated subsidiaries where applicable. The KION Group determines relevant categories based on regularly updated GHG emissions materiality analyses. The latest full scope 3 screening was performed in 2023. Reported GHG emissions do not include GHG offsetting with certificates, removal or storage which would be reported separately. Calculated biogenic emissions (not included in scope 1, 2, 3): 11,845 t CO_2e (2022: 7,452 t CO2e) from indirect energy and 485 t CO_2e (2022: 475 t CO_2e) from direct energy.

1 Thousand tons of CO_2e.

2 Expenditure-based methods (3.1, 3.2, 3.4, 3.6), activity data (3.3, 3.5, 3.6, 3.15), employee data (3.7), lifecycle assessment data (3.12) and product and sales data for new business (3.11, 3.13) were used as the basis for the calculation in combination with internal and external database values, estimations and emission factors. Comparative data, expert assessments and the results of existing lifecycle assessments were used for plausibility checks.
Changes due to updates in emissions factors or global warming potentials are calculated retrospectively where applicable in order to ensure comparable methodology and data rows. The categories 3.2, 3.5 and 3.15 have been added retrospectively for 2023-2021 based on an updated materiality and data screening for all scope 3 categories. Fiscal years 2021 and 2022 have been recalculated retrospectively considering further scope 3 categories as well as methodology and data base enhancements, e.g. by refined emission factors. Changes in scope 3 greenhouse gas emissions compared to reported values in 2022: for fiscal year 2021: +2.4% and fiscal year 2022: –1.4%.

(Local) environmental protection and biodiversity

The KION Group is aware of the growing relevance of biodiversity, ecosystems, and land use as well as their close links to climate action and circularity. Therefore, the ↗ KION Group Code of Compliance (KGCC) and its derivative policy, the ↗ HSE Statement of Intent, provide the framework for activities regarding local environ- mental protection and biodiversity, which are integrated in the action field 'Climate and energy.' As defined within the policy, the KION Group will continually work to reduce emissions; other discharges into the air, land, and water; the amount of waste generated; and the amount of natural resources used, including water, energy, and raw materials. In addition, the internal HSE Standard also provides further details for local action at site level, some of which goes beyond the national legislation.

Environmental risks and performance are continuously monitored through centralized internal reporting that covers water, waste, emissions, and so on, as well as an updated HSE assessment at site level. Further measures to support (local) environmental protection include central audits, awareness initiatives, and the promotion of the groupwide sharing of expertise.

Potential local environmental impacts are managed primarily on a local basis by the OUs and sites. This includes the definition of objectives and measures regarding the use of materials, water and effluents,

waste, and emissions (air, soil, water, and noise). To strengthen local activities and a coherent, groupwide approach, certifications and systematic audits are in place. Certification and systematic audits are performed to ensure that environmental aspects are appropriately managed, and that all relevant data is available in the required quality at all times so that corrective action can be taken. Expanding environmental management certification is a key aim under the KION Group's sustainability strategy. By 2024, all plants and all sales and service sites are to be certified in accordance with ISO 14001 or equivalent. With the target in sight, the KION Group was able to improve the coverage of sites to 90 percent in 2023 (2022: 81 percent). One proof of effective management systems is the fact that there were no significant pollution incidents at the Group level in 2023. No significant violations, fines or penalties for non-compliance with environmental standards or regulations were reported by entities either. The groupwide internal sustainability and HSE reporting ensures the regular tracking of potential incidents.

Several metrics are also in place to monitor environ- mental performance. Relevant indicators for water withdrawal and wastewater show a slight increase compared to the previous year, mainly in third-party water use and in correlation with business activity. As the KION Group's business activities only have a negligible impact on water quality, the Group does not carry out its own pre-treatment prior to discharge, except for the use of volatile liquid separators. Selected sites observe other relevant air emissions depending on local regulation. Due to individual measurements and site-specific monitoring requirements, a groupwide

interpretation of developments is limited. Overall, there were no major deviations to 2022 in the different air emission categories. Lastly, the KION Group intends to systematically reduce the amount of waste it generates, particularly any hazardous waste, and to increase the recovery of waste that cannot be avoided (→ 06 | Circularity). In 2023, the total amount of waste was reduced. Considering special effects from reconstruction activities at a German site in 2022 leading to higher amounts of recycled non-hazardous waste, a reduction of 0.7 percent in total waste compared to 2021 was achieved. The amount of hazardous waste was further decreased. Partially, variations between waste categories are resulting from changes in local legislation or shifts in categorization.

Other significant air emissions (direct)

in kg

	2023	2022	Change
Carbon Monoxide (CO)	1,903,704	1,893,474	+0.5%
Volatile Organic Compounds (VOC)	119,444	120,303	-0.7%
Particulate Matter (PM)	4,818	3,842	+25.4%
Nitrogen Oxides (NOx)	22,975	22,740	+1.0%
Others (SOx, Phosphats etc.)	57,588	68,965	-16.5%

Fiscal year 2022 figures for Carbon Monoxide and Particulate Matter have been readjusted in context of data base enhancements at a local entity. Change after recalculation compared to the reported value in the sustainability report 2022: Carbon Monoxide +97.4%, Particulate Matter -49.3%.

Water withdrawal

in million liters

	2023	2022	Change
Water withdrawal	**595.9**	**552.9**	**+7.8%**
Third-party water	557.4	514.1	+8.4%
Ground water	25.6	25.7	−0.4%
Surface water	0.2	0.2	0.0%
Water withdrawal from other sources (rain, seawater, etc.)	12.7	13.0	−2.4%

Waste water

in million liters

	2023	2022	Change
Water discharge by destination	**571.4**	**533.9**	**+7.0%**
Third-party	541.4	496.3	+9.1%
Seawater bodies	1.0	1.1	−13.5%
Other freshwater discharge	29.0	36.5	−20.7%

Fiscal year 2022 figures for water discharge have been readjusted after reclassification of other freshwater discharge previously not measured at a local entity. Change for water discharge after recalculation compared to the reported value in the sustainability report 2022: + 7.1%.

Waste

in t

	2023			2022			Change
	Non-hazardous	**Hazardous**	**Total**	**Non-hazardous**	**Hazardous**	**Total**	**Total**
Total amount of waste	**62,923**	**12,694**	**75,617**	**88,513**	**12,774**	**101,287**	**−25.3%**
Waste recovered	**51,185**	**9,170**	**60,356**	**76,199**	**8,500**	**84,699**	**−28.7%**
Recycled	45,037	7,376	52,413	70,306	7,251	77,558	−32.4%
Prepared for reuse	4,619	718	5,337	4,793	555	5,348	−0.2%
Other recovery method	1,529	1,076	2,605	1,099	694	1,793	+45.3%
% Waste recovered	**81.3%**	**72.2%**	**79.8%**	**86.1%**	**66.5%**	**83.6%**	
Waste disposed	**11,737**	**3,524**	**15,262**	**12,314**	**4,274**	**16,588**	**−8.0%**
Incineration	2,750	951	3,701	869	1,303	2,172	+70.4%
Landfill	6,948	1,209	8,158	9,653	1,291	10,944	−25.5%
Other disposal method	2,039	1,364	3,403	1,792	1,680	3,472	−2.0%
% Waste by type (hazardous/ non-hazardous)	**83.2%**	**16.8%**		**87.4%**	**12.6%**		

The decrease in recycled waste recovered is to be attributed to building reconstruction acitvities that occured at a German site in 2022, which did not take place in 2023.
The majority of the variation in other recovered waste was due to additional waste water (now recovered rather than disposed) at a local entity, due to an increase in operations and activities.
The majority of the variation in incinerated waste is due to a shift in categorization (previously reported as prepared for reuse) due to a change in local legislations.
The variation in landfilled waste is due to a shift in categorization (now reported as recycled).

In 2023, the KION Group also carried out an analysis of potential water stress and biodiversity risks for KION Group sites based on their geolocations. The analysis considered proximity to biodiversity-protected areas such as the Natura 2000 sites. The assessment of the current climate water stress (available blue water) was based on the World Resources Institute's Aqueduct Global Maps 2.1 Data, and the assessment for the future climate was based on the Aqueduct Water Stress Projections Data. One of the key findings was that the overall risk can be considered low, but further details for selected sites need to be investigated. There is no overlap with protected areas, but some locations seem to be adjacent with less than one kilometer of proximity. For several locations, current and future water risk potential has been identified. The evaluation of the results and the definition of potential measures are in progress, as well as an integration into the regular Group risk management process. Currently, the biodiversity and risk analyses focus on own operations first. A stepwise inclusion of upstream and downstream activities together with the respective partners (customers, suppliers) will be part of the upcoming engagement process. Further details on risk assessments are also disclosed via CDP (↗ CDP Climate Change questionnaire).

Previous materiality analyses indicated that biodiversity, ecosystems, and land use have a low impact on the KION Group, and the Group's impact is limited, too. However, the Group is aware of their growing relevance for the future of its business and the planet, as well as their interlinkages with climate action and circularity. Consequently, the Group expects to discern further opportunities and risks when advancing the action field programs in this context. Thus, the KION Group closely follows the development of recommendations by the Taskforce on Nature-related Financial Disclosures (TNFD) regarding potential future disclosures.

Circularity

Aware of planetary limits, the KION Group is committed to using circular resources, materials, products, and solutions while minimizing and recovering waste and promoting business models centered around maintenance, refurbishment, reuse, and shared use.

8 DECENT WORK AND ECONOMIC GROWTH **9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** **12 RESPONSIBLE CONSUMPTION AND PRODUCTION** **13 CLIMATE ACTION**

80%
Recovered waste from own operations

Selected circular revenue

€460.8 m
in used trucks business

€1,163.6 m
in rental business

€2,089.7 m
in aftersales business

2.35 t
of recycled Li-ion modules[1]

1 Considered are batteries that have been registered and sent to Li-Cycle Holdings Corp.

Four areas will foster the circular economy in the KION Group

1 **Resource use:**
Renewable energy, recycled materials, renewable materials

2 **Shared use and as-a-service solutions:**
Shared use of vehicles in industrial parks, subscription offers of products and solutions

3 **Product lifetime:**
Extended life cycle through refurbishment, upgrading and reselling

4 **Resource recovery:**
Recycling of trucks, components, batteries and solutions

06 | Circularity

Aware of planetary limits, the KION Group is committed to using recycled and renewable resources, to minimizing and recovering waste, and to fostering circular business models centered around product-as-a-service maintenance, refurbishment, reutilization, and shared use. For both segments, ITS and SCS of the KION Group, this commitment translates into the formulation and execution of a comprehensive circularity strategy with respective targets, indicators, and an action roadmap.

With regard to the action field's strategy development, the KION Group identified respective top-level indicators for 'Circularity' in 2023. The share of recovered waste was added as a strategic indicator (→ Sustainability strategy) in order to underline the KION Group's efforts to divert unavoidable waste from its own operations into circular channels, ensuring efficient and responsible waste management (details on waste in → 05 I Climate and energy). After special influences in 2022 due to reconstruction activities that occurred at a German site, a share of recovered waste of 79.8 percent was achieved in 2023 (2022: 83.6 percent, 2021: 74.2 percent). In both categories, hazardous and non-hazardous waste, the recovery rates were increased compared to 2021.
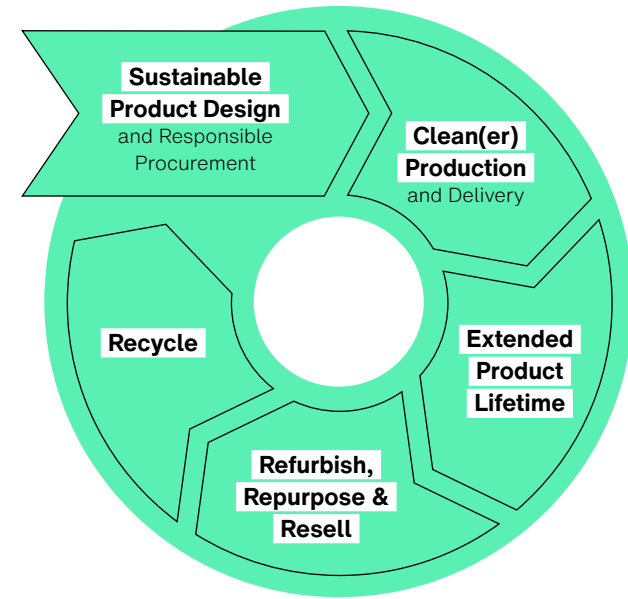
To strengthen the commitment to using renewable and recycled materials and the effectiveness of the Group's circular business models, indicators for circular input and circular revenue are currently being explored. These indicators are to be used to monitor and steer the alignment of the KION Group's core business with circular principles.

The KION Group emphasizes circularity through specific policies such as the ↗ KION Group Code of Compliance (KGCC), which advocates for the use of recyclable materials and eco-friendly practices, and the KION Group HSE Standard, which sets clear guidelines for waste management and sustainable resource use. ↗ The Principles of Supplier Conduct further extend this commitment by encouraging suppliers to adopt sustainable and circular practices, highlighting the Group's dedication to environmental stewardship and circularity (↗ NfR 2023: 06 I Circularity).

Circular product life cycle

In line with these findings, the KION Group actively incorporates circular approaches through a range of activities, initiatives, and programs along the entire product life cycle – from product design and materials to procurement, refurbishment and recycling.

Phases of the circular product life cycle

Sustainable Product Design and Responsible Procurement

Clean(er) Production and Delivery

Extended Product Lifetime

Refurbish, Repurpose & Resell

Recycle

Sustainable Product Design – Circular product design in the SCS segment:
The SCS segment is currently investigating the cradle to cradle (C2C) design philosophy, which is inspired by natural cycles where waste does not exist. This approach ensures that materials are safe, recyclable, and suitable for a circular economy. As a pilot for C2C compliance assessment, the Dematic Multishuttle initiative aims to keep materials in continuous use cycles, ultimately reducing environmental impact and promoting long-term sustainability. Further details are described in → Transparency through lifecycle assessments.

The KION Group considers compliance and traceability of materials along the value chain as important key aspects in order to identify and substitute chemical substances which may be harmful to humans or may have an adverse effect on the environment. In 2016, the KION Group committed to eliminating components that are manufactured by using the substance chromium (VI). Significant progress has been made in Europe in previous years towards achieving this goal by eliminating wherever technically possible chromium(VI) from the bill of materials of its products. In 2023, the KION Group has established an increased transparency by engaging suppliers to give feedback on the use of critical substances in their products. The corresponding findings have led to a further identification of chromium(VI) and other substances along the value chain. The KION Group will continue on this path to ensure full compliance according to all valid environmental legislations and guidelines (↗ NfR 2023: Conflict minerals and conflict areas).

In addition, the introduction of a material database is in the planning phase. The database is intended to create transparency about chemical composition of products, identify material risks regarding usability due to restricted or prohibited substances at an early stage, and support the selection of conform materials. On top of that, several sustainability criteria such as water and carbon footprint can be applied more systematically in the product design phase. Thus, the material database will become an important building block to reduce the environmental impact of KION Group's products by simultaneously making the Group more resilient and adaptive against future regulatory changes.

Clean(er) Production – Steel recycling in the ITS segment:
The use of renewable resources such as energy and recyclable or recycled materials is the basis for improving the circular economy. It is specifically aimed at fostering clean(er) production and delivery. In the ITS segment, the counterweights of forklifts are produced by up to 100 percent recycled materials in Weilbach and Dinklage (Germany). Manhole covers, cast-iron radiators, recycled counterweights and other scrap are melted down at the German foundries of the KION Group. This process can prevent the extraction of new iron from the earth's biosphere.

Dematic Multishuttle

Extended Product Lifetime – Sharing model in the ITS segment:

In the area of shared and modular use, the brand Linde Material Handling offers an innovative short-term rental model in China. A sharing platform for vehicles was introduced in 2022 and further pursued in 2023. Over one thousand tenant merchants of the Mingpinfu Logistics Park (China) can rent electric pallet trucks via a QR code, thereby offering customers a convenient alternative to buying the trucks, and therefore an attractive solution for temporary and high-frequency truck use. Additionally, the possibility to rent flexible products like counterbalance and warehouse trucks to several users and the offer of these products as a service through subscription are already standard within the ITS segment and are becoming increasingly popular. As a result, the total revenue in the rental business in the ITS segment increased to €1,163.6 million (2022: €1,105.9 million).

Refurbish, Repurpose & Resell – Refurbishment in the ITS segment:

To further extend the product life cycle, the KION Group has been maintaining its take-back program in the ITS segment for years. Its used truck offerings help customers reduce costs and save valuable primary resources. In 2023, the revenue from the previous year increased by approximately ten percent, reaching €460.8 million (2022: €418.0 million).

The refurbishment business contributes to the extension of the life cycle of products, solutions and their components via methods such as optimal maintenance and service intervals, exchange of components and upgrading. At company sites, for example in Czech Republic, Poland, Brazil and China, used equipment is reset to a 'like new' quality standard including repair and refurbishment.

In addition, the KION Group refurbishes lithium-ion batteries from returned leased trucks at KION Battery Systems GmbH ($\rightarrow$ Energy efficiency in the ITS segment), if the end of the life cycle has not yet been reached. Batteries that have already reached the end of their life cycle go into recycling.

Recycle – Li-Cycle cooperation for lithium-ion battery recycling:

The recovery of resources at the end of their initial lives is another area that the KION Group pursues in its business model. Driven by an increased commitment to recycling, the KION Group started in 2023 a strategic partnership with Li-Cycle Holdings Corp. in Magdeburg (Germany) for Europe. In 2023, around 2.35 tons of lithium-ion modules, or an equivalent of 238 batteries, were sent to the company's facilities for recovering. During this process, batteries are shredded in a two-stage recycling process with a minimal environmental footprint. The recovered materials will be processed to resources by the facility in Rochester (USA) and will be used for new battery production.

STILL truck in refurbishment

Supply chain

The KION Group strives for a robust, agile, and cost-efficient supplier base which sustainably ensures the supply of materials to production, installation as well as sales and service activities. Following a holistic approach and in close cooperation, the KION Group encourages and requires the commitment of its suppliers and business partners towards responsible and carbon-reduced operations.

3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION

Rate of ESG monitored supplier spend

~82%
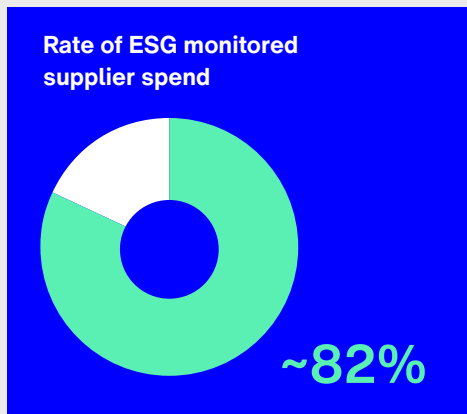
Standards and policies

↗ **KION Conflict Minerals Standard** released October 2023

↗ **Principles of Supplier Conduct**

↗ **General terms and conditions of purchase** updated in 2023

ESG supplier risk management process

Global risk assessment
Country, industry, product, origin, political environment, violations, probability

Individual risk assessment

Weighing and prioritization

>10,500 suppliers   >3,000 suppliers

"We are committed to supporting our suppliers in their sustainability journey by providing resources, guidance, and opportunities for collaboration to achieve our joint sustainability objectives."

Mark Grosse
Chief Procurement Officer (CPO)
Global Procurement of the KION Group

84%
of Procurement team trained on German Supply Chain Act

07 | Supply chain

The supply chain functions as the point where strategy and execution intersect within the KION Group's operations, encompassing product and solution portfolios, external expenditures (including cost of goods sold and operational expenditures), and supplier relationships. The focus lies on the upstream supply chain and therefore all activities related to the supply of materials and information from suppliers to the KION Group's production sites. Building supply chain relationships that respect the environment and human and labor rights, while supporting and enhancing the KION Group's sustainability targets, is key to a sustainable supply chain.

Supplier requirements and guidelines

The KION Group formulates its sustainability requirements for suppliers through dedicated guidelines and regulations (↗ NfR 2023: 07 | Supply chain, ↗ KION Group website). By following a holistic approach, the KION Group guidelines and regulations cover environmental, social,

and governance impacts of its business partners' operations and the related supply chain. The ↗ KGCC and the ↗ Principles of Supplier Conduct outline the KION Group's zero-tolerance approach with respect, for example, to corruption and bribery in its supply chain, as well as its expectations for suppliers in terms of environmental, social, and governance practices. Both cover a range of topics, such as labor standards, environmental impact, human rights, and anti-corruption. Furthermore, the KION Group launched a new ↗ Conflict Minerals Standard in 2023, which defines the Group's commitment to sourcing materials and products from suppliers who share its commitment to environmental, social, and governance practices. All suppliers are obligated to adhere to these requirements when entering into a business relationship with the KION Group.

Furthermore, the supply contracts were updated in 2023 to strengthen the rights and obligations of either party in this regard. In conclusion, all employees who execute any procurement tasks must comply with the Procurement Policy providing the general framework.

Supply chain strategy

In order to achieve a sustainable supply chain, procurement strategies must include Environmental, Social, Governance (ESG) criteria. The Group has therefore established its KION Group ESG supplier risk management standard. Further sustainability criteria are also taken into consideration in the supplier-awarding decision-making process, such as conflict minerals and, as of 2024, the carbon footprint. Dedicated indicators and related targets are defined to monitor strategy development and to track progress.

To include these indicators and targets into the business, the KION Group follows a sustainable procurement approach with successive phases: strategy development, risk assessment, risk mitigation, incident management, and corrective actions. The results of each phase feed into the next one to create a circular process for continuous improvement of the supply chain.

In order to determine and evaluate a potential risk on the supplier side with regard to environmental, social, governance or business ethics risks, the KION Group has implemented different screening and assessments

methods and tools such as Assent, EcoVadis, Everstream and IntegrityNext (→ Sustainability strategy). Depending on the subject matter, these tools are part of a specific process, such as the ESG supplier risk management process, and the assessment results will be considered in the relevant procurement processes.

EcoVadis or alternative rating[1] (Corporate Social Responsibility performance) available for strategic and high risk as well as direct suppliers

Targets and indicator, [target year]	2023	2022
EcoVadis or alternative rating[1] (Corporate Social Responsibility performance) available for:		
100% of **strategic and high-risk[2]** suppliers, [2023]	73% of high-risk suppliers covered	65% of high-risk suppliers covered
100% of **direct** suppliers, [2025]	70% of direct suppliers covered	♦

1 Group or site rating.
2 High risk suppliers refers to industry and country risk based on sustainability criteria.

The KION Group has been assessing defined suppliers' ESG performance for several years. In 2023, the Group achieved a coverage of approximately 80 percent on the annual spend of its entire supply base through ESG assessments (the KION Group overall: 82 percent; ITS EMEA: 86 percent; ITS APAC: 77 percent; SCS: 79 percent; and ITS Americas is covered via the other OUs thanks to a high share of common parts and suppliers).

Suppliers who fulfill certain criteria have been further individually assessed with self-assessment questionnaires to validate or reduce potential risks. In 2023, 70 percent of direct suppliers have been assessed on their ESG performance by using the KION Group's defined ESG supplier risk assessment methodology. This methodology has been aligned with the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG) (↗ NfR 2023: 07 | Supply chain).

If supplier weaknesses are identified through the ESG supplier risk management process, improvement actions are initiated and progress is reviewed, for example, through the EcoVadis platform. This strategy is proving successful: In 2023, the KION Group considerably increased the number of reviewed suppliers, of which 67 percent were able to improve their EcoVadis ratings compared to the previous period.

Furthermore, in late 2023, the KION Group launched a pilot project focusing on lifecycle assessments (LCAs) and cradle to cradle (C2C) certifications for selected KION Group end products (→ Transparency through lifecycle assessments). With this initiative, the KION Group demonstrates its commitment to sustainable products and hence sustainable supply chain transparency. Collaborating with 163 suppliers, the pilot project aims to collect comprehensive, in-depth, environmental data for 513 components across their life cycles. Recognizing this as an initial step, the KION Group plans to significantly expand this program in 2024. By collaborating with more suppliers and increasing the number of products with robust environmental data, the KION Group aims to make data-driven sourcing decisions that prioritize environmental responsibility at scale. To further amplify this commitment, the KION Group will implement supplier education strategies and partner with Assent to streamline supplier outreach, support their growth in sustainability maturity, and foster collaboration on these topics.

ESG supplier risk management process

For an objective and robust assessment of the sustainability risk and performance of selected suppliers, the KION Group has implemented a three-level ESG supplier risk management process as set out in its ESG supplier risk management standard. This process assesses suppliers in its efforts and achievements to comply with specific standards. The supplier risk

assessment is conducted by utilizing expert software-as-a-service (SaaS) platforms covering environmental, social and governance risks. The assessed governance risks include corruption (including bribery, fraud, conflict of interest and money laundering), anticompetitive practices (including illegal mergers and acquisitions), enhanced aspects of business ethics (including codes of conduct contents and implementation, transparency on violations and breaches), and violation of information security or poor information management. Environmental aspects assessed include environmental management of operations (such as energy use in offices and production sites, water and materials used during manufacturing, air pollution and threats to biodiversity), and environmental management of products and services (such as product use and product end-of-life, customer health and safety, and environmental service advocacy). The social aspects screened include labor and human rights such as working conditions, social dialogue, prevention of human trafficking, child and forced labor, diversity, equity and inclusion, and career management and training. These screenings are conducted within the framework of the EcoVadis and IntegrityNext assessments.

The supplier assessment includes selected suppliers that provide goods and services used in the production processes of the KION Group. It also includes selected suppliers that provide goods and services used as operational capital goods. The ESG supplier risk

management standard, which guides the ESG supplier risk management process, is internally communicated and will be regularly reviewed to align with established ESG requirements and best practices. Global Contract Management & Sustainability is responsible for overseeing and ensuring priority and focus for the standard. There is also training on the standard to ensure a fundamental understanding of the process, which is described as follows:

— Selected suppliers are risk screened to understand their inherent sustainability risk profile based on country, sector and commodity (also global risk assessment),
— Selected suppliers are requested to complete a self-assessment questionnaire to understand the maturity of their controls relative to human and labor rights, environmental compliance and protection (also individual supplier risk assessment),
— Selected suppliers are asked to submit for a sustainability assessment of their policies, actions and results in the areas of human rights, labor rights, employment standards, HSE, anti-corruption and anti-bribery, product-related environmental protection and upstream supply chain monitoring (part of individual supplier risk assessment and risk mitigation).

Furthermore, the ESG supplier risk management process is conducted on a case-to-case basis when a complaint is raised, or a potential incident occurs.

First level – ESG supplier risk assessment: As explained in the ↗ non-financial report, the ESG supplier risk management process evaluates the suppliers in the first step via global mapping based on the supplier's country, industry and commodity risk, and in a second step via supplier's individual ESG risk (↗ NfR 2023: 07 | Supply chain). The results of the global mapping and the individual risk assessment, if any, will then be combined.

The so-determined ESG supplier risk will result in either a 'Green' (sustainability risks not very likely), 'Yellow' (sustainability risk somewhat possible) or 'Red' (company is strongly exposed to sustainability risks) result. By the end of 2023, the results of the ESG supplier risk assessment were as follows: Approximately 24 percent achieved 'Green' which means the company is not (very) likely to be exposed to sustainability risks, approximately 53 percent 'Yellow,' and approximately five percent of the assessed suppliers were determined as 'Red,' which means the company is strongly exposed to sustainability risks. No response was received for around 18 percent.

Second level – ESG supplier risk analysis: Once the ESG supplier risk has been determined as per above, the weighing and prioritization evaluates the determined potential breach based on the following criteria for impact and severity assessment and leads to the KION Group ESG supplier risk score. Thereby, several factors must be rated either high, medium or low during this process, such as the likelihood of potential breach, severity of potential damage, the KION Group's influence on the supplier, the Group's contribution and scope of business operations. By default, the last three factors are set as medium. Especially with regards to the first two factors (likelihood of potential breach and severity of potential damage), the KION Group has a no-tolerance commitment to child labor, forced labor, modern slavery, and security forces. A potential breach in one of these categories leads per se to a high rating.

The result of such weighing and prioritization leads to an individual KION Group-specific ESG supplier risk score that triggers the individual corrective actions that will address the specific risk in the best possible way and leads to the third level.

Third level – ESG supplier risk mitigation process: Once the KION Group-specific ESG supplier risk score has been determined, the follow-up process starts, and corrective actions will be taken. The corrective actions are individually decided. Several different actions are available. In case of third-party certificates, the following certificates are accepted as a valid mitigation action:

Accepted possible mitigation certificates

— Sustainable procurement	ISO 20400,
— Corporate social responsibility	ISO 26000,
— Social accountability	SA 8000,
— Resource efficiency	VDI 4800,
— Energy management systems	ISO 50001,
— Lifecycle assessment	ISO 14044,
	ISO 14040,
— Environmental management	ISO 14001,
	EMAS,
— Compliance management system	ISO 37301,
— Operational health and safety	ISO 45001/
	OHSAS 18001,
— Anti-corruption	ISO 37001.

If a supplier does not cooperate during the ESG supplier risk management process by refusing to provide information, preventing audit initiatives, and/or not fulfilling mutually agreed corrective action plans, the escalation process will be initiated following the existing escalation processes defined by Supplier Performance Management. The non-compliance can lead to different consequences for the supplier. However, the KION Group has ultimately the right even to terminate the business relationship as agreed upon by the supplier via the ↗ Principles of Supplier Conduct.

The ESG supplier risk assessment is to be conducted once a year and additionally event based. Regular risk analysis is done with all Tier 1 suppliers as defined in the target group below and the relevant KION Group legal entities. The cause-related risk analysis must be conducted in case of changes in business, for example new awarding of new projects, new business acquisitions or new markets, or substantial knowledge of misbehavior of Tier N suppliers. Additionally, the ESG supplier risk assessment is conducted for each newly onboarded supplier during the year.

As a rule, every supplier that has a direct business relationship with a KION Group legal entity (Tier 1) needs to be assessed and rated via the ESG supplier risk management process. However, to manage the process in a compliant, focused and efficient manner, the KION Group prioritizes suppliers for such assessment based on the following criteria (so-called target group):

— Tier 1 suppliers of direct procurement that are by country or industry exposed to a higher ESG supplier risk (so-called high-risk countries), and/or
— Tier 1 suppliers of direct procurement (production relevant for KION Group), that qualify as A suppliers, and/or
— Tier 1 suppliers of indirect procurement for specific defined categories that are by industry and country exposed to a higher ESG supplier risk and is defined in the ESG Supplier Risk Management Standard.

For all other suppliers, the ESG supplier risk assessment will be conducted by event.

The Global Supplier Sustainability team, within the procurement department, is responsible for the execution of the process. The team initiates the processes at the beginning of each year and starts the follow-up process during the third quarter of each year.

In order to ensure the quality and effectiveness of the process, an effectiveness revision of the ESG supplier risk management process takes place in December of each year. During this phase, all knowledge gained is reviewed and the process may be adapted.

For internal information and reporting purposes, a supplier ESG dashboard combining all determined results is shared with and accessible by the Global Procurement team. Besides this, several procurement processes have been updated accordingly, and now also consider sustainability criteria and the KION Group-specific ESG supplier risk score as shown in the ESG dashboard. These processes are, for example, the KION Group Standard on Sourcing and Awarding Committee (for direct and indirect procurement) and the request for quote, supplier score card.

In 2023, this new ESG supplier risk management process replaced the minimum EcoVadis score that was previously targeted, following the understanding that a single indicator is no longer sufficient to measure sustainability progress. A supplier's ESG risk is now determined based on a more specialized approach following changes in the regulatory landscape.

Thanks to this new approach, in 2023, the KION Group considerably increased the number of individually reviewed suppliers compared to 2022. More than 1000 suppliers shared their detailed and comprehensive EcoVadis Sustainability performance scorecards with the KION Group. Among the suppliers assessed through EcoVadis in 2023, low scores were obtained respectively by ten suppliers in the Environment theme, three in the Labor and human rights theme, ten in the Business ethics theme, and 43 in the Sustainable procurement theme. Together with EcoVadis, improvement measures are initiated with those suppliers that have a low score. In addition to that, 729 suppliers have signed off the ↗ Principles of Supplier Conduct.

EcoVadis or alternative rating[1] (Corporate Social Responsibility performance) available for share of spend with suppliers by KION Group and OUs

		2023	2022
KION Group		**54%**	**49%**
ITS segment	KION ITS EMEA	60%	51%
	KION ITS APAC	58%	56%
	KION ITS Americas	covered via other locations	covered via other locations
SCS segment	KION SCS	43%	46%

1 Group or site rating.

In case of identified incidents, for example through the ESG supplier risk assessment, the procedural code for handling such incidents falls under the purview of Corporate Compliance and adheres to the internal Investigation Policy. After the incident is reported, the Global Supplier Sustainability Team handles follow-up procedures and initiates the ESG supplier risk management process as described above.

In 2023, two incidents were reported via the whistle-blowing system. One of them was resolved, while the other is still in the process of being reviewed with the supplier.

Supply chain risk management

The KION Group also screens its suppliers via Everstream to monitor different types of risks (↗ NfR 2023: 07 | Supply chain). Risk categories and the respective weights in the Everstream tool are natural disasters such as earthquakes, flash floods, volcano and storm surge (40 percent); political violence including war, terrorism and civil unrest (20 percent); sociopolitical including corruption, labor strike, law enforcement and counterfeit threat (ten percent); operational such as aviation, marine, customs efficiency and regulatory burden (15 percent); sustainability aspects such as

personal freedom, workers' rights, child labor and environment (ten percent); and risk to individuals which addresses kidnap and ransom, and death and injury (five percent).

In 2023, the Supplier Performance Management team has assessed approximately 1,500 direct suppliers via the tool Everstream.

Supply chain risk mapping via Everstream
(illustrative)
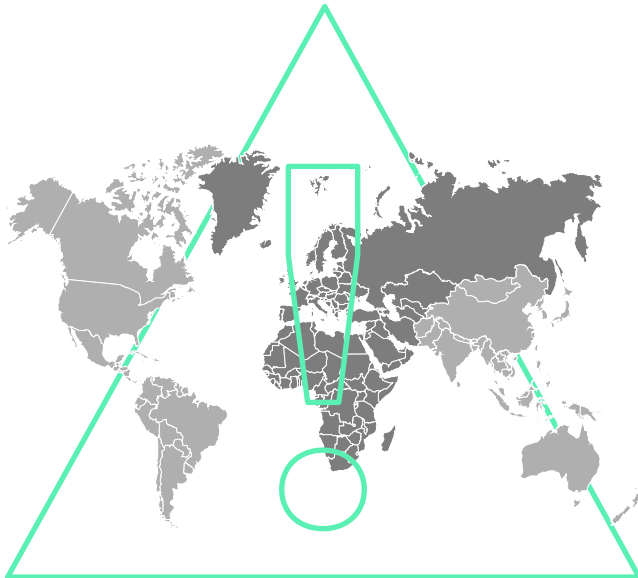
Conflict minerals and conflict areas

The KION Group conducts due diligence on the supply chain to identify possible content of conflict minerals within the goods they purchase from its suppliers, and which are finally used in the KION Group's end products (↗ NfR 2023: 07 | Supply chain). The KION Group Procurement uses recognized industry standards as mentioned above to guide the due diligence process and may use third-party provider SaaS solutions (Assent) to execute the required survey and assessment. Results are taken into consideration for the supplier selection and/or awarding process.

Reference is especially made to the ↗ Principles of Supplier Conduct, which are mandatory for its suppliers and, in turn, expects them to promote these or equivalent standards to their own suppliers. In case of non-compliance or determination of a potential risk, the KION Group reserves its right to initiate and perform further and/or prevention and/or mitigation actions including its right to cease the business relation with the supplier, if necessary. This shall also include communication and providing information to suppliers and, if required, other third parties about such policies and procedures and the underlying due diligence process. As mentioned above, 729 suppliers have actively signed the ↗ Principles of Supplier Conduct.

Furthermore, the KION Group will provide training to its employees and suppliers to raise awareness of the issue of conflict minerals and the importance of responsible sourcing.

As a first step, in 2022, the KION Group launched a trial campaign to identify the potential use of conflict minerals in suppliers' production operations and in their purchased goods. In preparation for the expansion of that campaign in 2023, the KION Group held a training course on conflict minerals and various product environmental compliance requirements. These included the EU Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (Art. 33 REACH-SVHC), the US Toxic Substances Control Act (TSCA), the EU Restriction of Hazardous Substances Directive (RoHS) and the EU Waste Framework Directive (WFD (SCIP)). The training course was offered throughout the year and was mandatory for buyers at EMEA plants in the ITS segment. By the end of 2023, 15 percent of all EMEA buyers had been trained. In late 2023, the KION Group rolled out the aforementioned campaigns to all suppliers of direct materials for its European ITS operations as part of Assent's regulatory compliance program. 1,380 suppliers have received an invitation to take part in the Assent regulatory compliance program.

Supplier diversity

The KION Group and all its affiliated brands hold a high regard of the significance of fostering a supplier diversity program that not only drives economic growth, but also embodies the Group commitment to inclusivity and equity.

Central to the KION Group's mission is the cultivation of a diverse and inclusive supply chain that mirrors the diverse workforce and reflects the communities the Group is engaged with. By championing supplier diversity, the KION Group aims to fortify its capacity for innovation, sustainability, and operational excellence needed to continue meeting and exceeding the evolving needs of the Group's valued customers.

In 2023, the KION Group dedicated itself to laying the groundwork for its supplier diversity program, making substantial progress through strategic partnerships and meticulous data analysis. These key developments underline the KION Group's ongoing commitment to fostering a more inclusive and sustainable supply chain.

By partnering with a reputable third-party platform, the KION Group rigorously refined its data repositories through a comprehensive data cleansing process to ensure the precision and dependability of its reporting mechanisms. This thorough examination was crucial in strengthening the integrity of the KION Group's program and bolstering the trustworthiness of the insights generated from it.

The KION Group further developed a comprehensive formal supplier diversity policy designed to foster inclusivity and empowering underrepresented businesses within its supply chain network. In 2024, this policy will be reviewed by the KION Group's esteemed leadership team. The policy embodies the KION Group's steadfast commitment to creating opportunities for diverse suppliers to thrive and grow alongside with the KION Group.

To further amplify awareness and understanding of the KION Group's supplier diversity program, the KION Group launched mandatory training modules for all relevant stakeholders. These training sessions aim not only to educate, but also inspire proactive engagement and support for diversifying the supplier base while championing equitable practices throughout the procurement process.

In alignment with the KION Group's enduring commitment to sustainability, the Group instituted a rigorous pre-vetting process focused on identifying diverse suppliers who exemplify sustainable practices and ethical compliance standards. By prioritizing partnerships with environmentally conscious vendors, the KION Group strives towards fostering a more resilient supply chain ecosystem that resonates with both social responsibility and environmental stewardship.

In 2023, the SCS segment spent $9,172,482.42 on suppliers that are part of the diversity program (2022: $16,436,115.45). The supplier diversity data includes the SCS segment's United States Tier 1 spend with firms that have obtained certification from a third-party

agency as being at least 51 percent owned, controlled, and operated by a minority, woman, disabled person, veteran, service-disabled veteran, or lesbian, gay, bisexual, transgender, or queer person. The SCS segment in the US validates diverse status through certification compliance using Women's Business Enterprise National Council, National Minority Supplier Development Council, Department of Veterans Affairs, National LGBT Chamber of Commerce, Disability:IN, and others.

While supplier diversity remains a core focus of the KION Group organization, the Group is about to share its plans for broader global expansion. The initial focus has been on the United States in the SCS segment, but the Group plans to expand its program to other countries as part of a phased approach. ITS EMEA and APAC are two key markets that the KION Group is considering for future expansion. In these countries, supplier diversity may still be relatively new, evolving, or non-existent, but there is growing recognition of its importance and potential benefits.

By taking a phased approach to its expansion efforts, the KION Group can ensure that it is adapted to each country's unique business environment and supplier diversity landscape.

Recognizing the profound impact of responsible sourcing practices on both communities and environments worldwide, the KION Group is dedicated to extending its reach and influence on a more global scale.

Sustainable governance

Sustainable governance is the foundation for decision-making and subsequent implementation – in general, and for all sustainability action fields in particular. The KION Group aims to maintain a leading and holistic sustainable governance that is effective, efficient, and responsive.

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S&P Global CSA Score 2023

Member of the ↗ **S&P Global Sustainability Yearbook 2023**

GOLD
2023
ecovadis
Sustainability Rating

KION Group

MSCI ESG 2023
AAA

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS
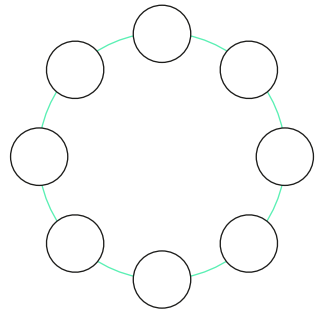
Sustainability council

Chaired by Valeria Gargiulo (Chief People and Sustainability Officer) consisting of sustainability leads of the action fields, central functions, and Operating Units as well as the central sustainability management.

The ↗ KION **Group Code of Compliance** contains the rules that govern the way on how the KION Group does business.

Compliance and data protection week 2023
Internal communication campaign to raise awareness for the positive contribution of a speak-up culture and whistleblowing across the KION Group.

"Integrity is one of our values and the principle upon which our business is based. By aligning our actions with ethical, compliance and sustainability standards, we can build trust and protect our reputation."

Rob Smith
CEO of KION GROUP AG

08 | Sustainable governance

Sustainable governance provides the structure through which sustainability objectives are set for the KION Group and the means of attaining those objectives at Group and OU level, as well as within action fields. In a wider sense, governance encompasses business ethics and the KION Group's understanding of sustainable business management – including, but not limited to the ESG performance in sustainability ratings, stakeholder dialog, strict and unambiguous compliance management and safeguarding IT security. The KION Group pursues the aim to maintain a leading and holistic sustainable governance that is effective, efficient, and responsive (↗ NfR 2023: 08 | Sustainable governance).

Sustainability organization

It falls to the Executive Board of KION GROUP AG to ensure that the KION Group's commitment to sustainability translates into specific measures. In addition, the Executive Board reports regularly to the Supervisory Board of KION GROUP AG on developments and progress regarding sustainability matters. Until April 30, 2023, the CTO on the Executive Board of KION GROUP AG was responsible for the sustainability strategy and its implementation. Since May 1, 2023, a new Executive Board member – the Chief People & Sustainability Officer (CPSO), including the role of Labor Director – has taken over the areas of HR, sustainability and HSE. As head of the sustainability organization, the CPSO is instrumental in continuously reviewing and implementing the sustainability vision for the KION Group. The Sustainability Council, chaired by the CPSO, was introduced in 2023, succeeding the Sustainability Steering Committee which has been in place since 2017. Members of the Sustainability Council include the sustainability action field leads, OU and function sustainability leads, as well as representatives of the central sustainability management team (↗ NfR 2023: Sustainability organization). To elevate sustainability as a strategic priority, the council discusses, decides or prepares Executive Board decisions on strategic sustainability matters in an increased meeting frequency of approximately every two months and ensures that the sustainability program is applied uniformly across the KION Group.

Governance of sustainability action fields

Those responsible for the individual action fields (action field leads) manage the corresponding overall programs and targets at KION Group level. They also break down the agreed targets to the OUs as well as business functions and monitor the progress. The OUs and business functions are responsible for implementing their individual targets and action plans, including budgets, and for transferring these targets and action plans to business processes and to subsidiaries, while working in collaboration with the respective sustainability network. At the operational level, sustainability programs corresponding to the KION Group action field model are established and cascaded to the local entities.

Sustainability ratings

The KION Group's performance in sustainability ratings and rankings is one of the levers used to validate and steer improvements, and to achieve a holistic approach to sustainability (→ Sustainability strategy). Due to its particular importance to customers, the KION Group participates in the sustainability assessment carried out by EcoVadis. With regard to capital market ratings in this area, the KION Group also strategically pursues the Corporate Sustainability Assessment (CSA) carried out by the financial services company S&P Global Switzerland SA.

EcoVadis evaluates the company's policies, actions and results across four main themes: environment, labor and human rights, ethics, and sustainable procurement. Selected subsidiaries also participate in the assessment, with the same strategic target as the KION Group of achieving a Gold EcoVadis rating. In 2023, the KION Group confirmed its Gold medal in EcoVadis, placing the company in the top six percent of all rated companies in the manufacture of general-purpose machinery industry. Among the assessed subsidiaries, Linde Material Handling and STILL overshoot this target by scoring the top-grade Platinum. Dematic and KION South America both successfully achieved the Gold rating for the first time in 2023. Linde China holds a Bronze grade, while KION North America remains in preparation for a first assessment.

The KION Group was admitted to the ↗ S&P Global Yearbook 2023 for the first time on the basis of the S&P Global CSA 2022 with a score of 62/100 points. As a listed company, the KION Group scored within the top 15 percent of the machinery and electrical equipment industry and achieved an S&P Global Sustainability score within 30 percent of the industry's top-performing company.

For the fifth year in a row, the KION Group actively participated in the capital markets rating S&P Global CSA 2023 (based on the financial year 2022) encompassing the three dimensions governance and economic, social as well as environment. The increase in disclosure requirements in the CSA 2023 methodology came across criteria with strong implications and results from new reporting legislation CSRD (Corporate Sustainability Reporting Directive) and the related ESRS (European Sustainability Reporting Standards). Against this background, the KION Group was able to maintain a relatively stable position with a total scoring of 61/100 points in the S&P Global CSA 2023 (2022: 62). As of 22 December 2023, the KION Group ranked, with the 94th percentile, in the top decile in the industry group IEQ machinery and electrical equipment in the S&P Global Corporate Sustainability Assessment. The strategic relevance of the S&P Global CSA rating results is underlined by the fact that the target achievement is taken into account in the variable remuneration of the Executive Board of KION GROUP AG and the KION Group management (↗ NfR 2023: Sustainability performance and remuneration, ↗ Remuneration report 2023).

STILL and
Linde Material Handling

KION Group, Dematic
and KION South America

Linde China

The sustainability progress of the KION Group is further recognized by the improvement of the ESG rating by MSCI to the top mark AAA in 2023 (2022: AA). In addition, the CDP Climate Change score for 2023 based on the financial year 2022 was confirmed with leadership level A- (→ 05 | Climate and energy). Up-to-date ratings from CDP Climate Change, EcoVadis, FTSE Russell ESG, ISS ESG, MSCI ESG, S&P Global CSA, Sustainalytics ESG Risk, and Moody's Analytics ESG can be found in the following overview of the KION Group sustainability rating performance.

KION Group sustainability rating performance

	S&P Global CSA	EcoVadis	CDP Climate Change	MSCI ESG	Sustainalytics ESG Risk	ISS ESG	FTSE Russell ESG	Moody's Analytics ESG
Max Score	100	Platinum	A	AAA	Negligible Risk (0)	A+	5	100
2023/2022	61	Gold	A-	AAA	Medium	B-	3.7	48
Min Score	0	No medal	D-	DDD	Severe Risk (100)	D-	0	0

■ 2023 ■ 2022 ⬍ Year on Year change

Stakeholder dialog

The social and environmental expectations of internal and external stakeholder groups with regard to the KION Group's business activities are addressed as part of an active stakeholder management. The KION Group's stakeholder management is designed to identify expectations and requirements at an early stage, analyze them in terms of the company's interests, and incorporate them into decision-making. The KION Group identifies stakeholder groups that are particularly relevant to sustainability management according to clear criteria. These take into account the importance and contribution of stakeholders to the KION Group's success as well as their specific requirements with regard to the Group's sustainability performance. Due to their critical role in the sustainable and long-term value creation, the Group's key stakeholders are customers, employees, the finance and capital markets (investors, shareholders), suppliers and legislators.

Stakeholder dialog

Stakeholder	Format, regularity, topics in 2023
Customers	Format: Regular customer visits, online stakeholder survey, dedicated customer surveys, service helpdesk, customer audits, external assessments (for example, EcoVadis), complaints management, customer events, participation in trade fairs and in-house exhibitions, consulting, customer publications, Internet, LMH product clinic, image brochures and one-pagers for key accounts, Non-financial Report, Sustainability Insights, sustainability brochures and presentations Regularity: Continuous/ongoing Topics in 2023: Experience days, customer satisfaction index (Net Promoter Score), Customers "Touch and feel" product session, Workshops with customers, product features, such as efficiency and emissions as well as safety, service offering, ergonomic design of vehicles and systems, assessment of sustainability performance of sites and organizations, specific (product) sustainability requests
Distributors	Format: Distributors' Board, regular meetings (annual kick-off and year-end events) Regularity: Continuous/ongoing Topics in 2023: Zero Accident philosophy at KION ITS EMEA
Employees	Format: Management and employee survey (KION Pulse), Organization Capability Talent Review (OCTR), online stakeholder survey, KEEP employee participation program, suggestion scheme, employee magazine, social intranet, Non-financial Report, Sustainability Insights, instruments and committees of co-determination for an in-depth exchange, management-employees dialog formats, "family days", awareness campaigns, webinars, exchange with the workers representative council Regularity: Continuous/ongoing Topics in 2023: Integration of a groupwide recruitment and training platform, internal communication audits, communication on corporate news and events and employee feedback via internal organizational platforms, measures to promote corporate culture, World days awareness campaigns, occupational health and safety e.g. safety weeks, internal awards ceremonies, company development, important sustainability topics for KION Group, reports via whistleblowing system

Stakeholder dialog

Stakeholder	Format, regularity, topics in 2023
Financial market	Format: Sustainability section in the annual report, participation in ESG conferences, answering questions in the context of investor discussions and inquiries from financial analysts, assessment by rating agencies, online stakeholder survey, Non-financial Report, Sustainability Insights Regularity: Continuous/ongoing Topics in 2023: Commitment to net-zero and Science Based Target initiative, Sustainability management, social topics, environmental protection, important sustainability topics for KION, governance, transparent reporting on ESG criteria, ESG rating performance e.g. CDP Climate Change, S&P Global CSA, ISS ESG, MSCI ESG etc.
General public	Format: Journal articles, social media, campaign days, external assessments and ratings, section on sustainability in the annual report, Non-financial Report, Sustainability Insights Regularity: Continuous/ongoing Topics in 2023: Commitment to net-zero and Science Based Targets initiative, sustainability management, social aspects, environmental protection, transparent reporting on sustainability
(Industry) associations	Format: Participation in symposiums and working groups, membership of numerous associations such as ISO, DIN, VDMA, FEM Regularity: Continuous/ongoing Topics in 2023: Energy efficiency, product specifications, product safety, lifecycle assessment, due diligence in the supply chain, EU taxonomy
Legislative bodies/ policy makers	Format: Dialog with authorities, association work and advocacy Regularity: Intermittently, as required Topics in 2023: Authorization, inspections, consultations on regulatory compliance

Stakeholder dialog

Stakeholder	Format, regularity, topics in 2023
Local communities	Format: Local events such as a forklift truck cup, federal state preliminary rounds, Training Day, regular exchange with local authorities at the locations, participating in the local Agenda 21 committee Regularity: Intermittently, as required Topics in 2023: Corporate citizenship, for example via donations in kind in the event of natural disasters or voluntary social work by employees, charity programs, social and cultural engagement, clean-up activities in the community, products, safety standards, environment, traffic and traffic control
Media	Format: Press releases, press events, panel discussions, interviews, sustainability section in the annual report, Non-financial Report, Sustainability Insights, social media Regularity: Continuous/ongoing Topics in 2023: Commitment to net-zero and Science Based Targets initiative, Sustainability management, social topics, environmental protection, transparent reporting on sustainability progress, efficient energy systems, safety technology, sustainability activities
Non-governmental organizations	Format: Dialog forums with NGOs (e.g. Linde China), cooperation with local foundations Regularity: Intermittently, as required Topics in 2023: Volunteering activities for environmental protection and education within and beyond the KION Group

Stakeholder dialog

Stakeholder	Format, regularity, topics in 2023
Science and research	Format: Collaborations with education institutions, research projects, information days, internships, collaboration with students on dissertations and thesis Regularity: Continuous/ongoing Topics in 2023: Diverse, for example net-zero, lifecycle assessment, alternative drive technologies, greenwashing prevention and social development
Suppliers	Format: Supplier negotiations, supplier assessments using EcoVadis, IntegrityNext, self-assessment questionnaires, supplier audits and corrective follow-up actions, online stakeholder survey, supplier sustainability requests and regular procurement-suppliers exchange, working groups Regularity: Continuous/ongoing Topics in 2023: Integration of sustainability- and human rights-related contract clauses, Principles of Supplier Conduct, zero tolerance approach to corruption and bribery (KGCC), responsible sourcing (Conflict Minerals Standard), supplier ESG risk management, reports via whistleblowing system

The KION Group pursues an open dialog with a wide range of stakeholder groups, either directly via surveys or at events. As implemented in the materiality analyses (latest update 2022), not only the inside-out perspective, but also the outside-in perspective and the stakeholder relevance play an equally pivotal role for the KION Group (↗ NfR 2023: Groupwide materiality analysis). In this process, the opinions of customers, employees, suppliers, and financial and capital market representatives were considered to identify and analyze material topics. With regard to the most important stakeholder groups, for example, the KION Group held investor calls and sustainability conferences for the capital market. Specific sustainability interests, particularly regarding GHG emissions, are addressed in direct and individual dialog with customers, suppliers and additional stakeholders. In 2023, the KION Group again collected employees' perspectives in the groupwide KION Pulse survey. Local initiatives and site-specific communication measures were also launched.

The KION Group constantly monitors new regulations as well as amendments and participates in dialog with policy makers through its engagement in industry associations. An example is the EU Taxonomy. In addition, the Group is a committed member of the ↗ VDMA initiative Blue Competence and many of the KION Group's subsidiaries are also actively involved in industry associations as well as international institutions memberships. Furthermore, the KION Group is part of, for example, the Federation of the German Foundry Industry (BDG) and the European Materials Handling Federation (Fédération Européenne de la Manutention, FEM). Environmental standards such as ISO, CEN and DIN are further developed through the involvement of the KION Group. In accordance with the ↗ KION Group Code of Compliance (KGCC), the Group does not maintain any political relationships beyond its association work.

Strict and unambiguous compliance management

As a long-standing member of the German Institute for Compliance (Deutsches Institut für Compliance, DICO e.V.), the KION Group has the corporate social responsibility toward its customers, employees, financial backers and the general public to comply with all applicable laws, to respect ethical values and to act in a sustainability-oriented manner everywhere and at all times. The ↗ KGCC serves as a basis and defines the guidelines for ethical, value-oriented and lawful business activity (↗ NfR 2023: Compliance management).

Actual or suspected incidents of non-compliance can be reported in person or by telephone, mail or e-mail. In addition, all KION Group employees as well as external stakeholders can use a whistleblowing hotline or an online form to report potential compliance violations anonymously and around the clock. The whistleblower system is designed to be global, but addresses local needs as much as possible, so that every KION Group employee, every business partner employee and every

individual has access to and can use the whistleblower system in their own language and in their preferred means of communication. Contact information for reporting can be found in the compliance section on the ↗ KION Group website.

The integrated case management system ensures that all reports are reviewed and that each case is processed systematically and in compliance with the EU Whistle-blowing Directive. Non-retaliation and confidentiality are ensured.

To promote the use of the system and improve the speak-up culture, KION Corporate Compliance communicated information and provided mandatory training to all employees with access to a computer as part of Compliance and Data Protection Week in November 2023. The KION Group values (integrity, collaboration, courage, and excellence) and compliance standards guide KION Group employees every day in their business dealings and behavior towards colleagues and business partners. Any non-compliance can negatively impact the business or harm others. We know that speaking up and drawing attention to grievances and misconduct is not a matter of course – it takes a lot of courage. The KION Group fosters and protects a culture where everybody should feel safe to raise critical topics and concerns, without fear of negative

consequences. The KION Group whistleblowing channels provide a safe and confidential environment to raise a concern. Communication activities during the Compliance and Data Protection Week were designed to bring about more transparency and clarity with respect to:

— The importance of speaking up/whistleblowing,
— What the safe and confidential KION Group whistleblowing channels are,
— How the KION Group protects its whistleblowers, and
— What exactly happens after a whistleblowing report has been submitted.

Information about this important topic were distributed via different types of media to employees via internal and external channels. The Executive Board and the Corporate Compliance team, for example, stipulated the importance of speaking up in short videos and presentations in the social intranet as well as on a dedicated ↗ external website. Internal postings including a compliance quiz provide employees with interesting insights to check their compliance knowledge. Additionally, speak-up posters were printed and distributed. Employees also had opportunities to elaborate and discuss the speak-up culture and whistleblowing with their colleagues during coffee talks in several locations globally.

Poster of Data Protection Week

Number of reported cases through the KION Group whistleblowing tool by primary issue type, status and substantiation of closed cases

	KION Group		ITS segment						SCS segment		Group Functions	
			KION ITS EMEA		KION ITS APAC		KION ITS Americas		KION SCS			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total reported cases	**141**	**171**	**65**	**71**	**19**	**16**	**14**	**13**	**38**	**67**	**5**	**4**
Corruption or Bribery	3	3	—	1	3	2	—	—	—	—	—	—
Conflict of Interest	9	10	3	5	—	1	1	—	5	4	—	—
Fraud	9	13	5	4	2	1	—	—	2	7	—	1
Accounting Matters or Controls	2	3	—	—	—	—	—	—	2	3	—	—
Anti-Money Laundering	—	1	—	—	—	—	—	—	—	1	—	—
Theft	9	10	6	5	—	1	—	1	2	3	1	—
Unprofessional Behavior	23	25	10	15	2	2	6	—	3	6	2	2
Employee Relations	15	18	11	10	—	2	3	3	1	3	—	—
Discrimination	9	9	5	2	1	—	—	—	2	7	1	—
Harassment	12	16	5	10	3	—	—	1	4	5	—	—
Mistreatment	5	8	3	3	—	1	1	—	1	4	—	—
Abuse of Power, Authority, or Control	9	5	5	1	—	—	—	1	4	3	—	—
Information Security	3	1	1	1	—	—	—	—	2	—	—	—
Acceptable Use Violations	—	—	—	—	—	—	—	—	—	—	—	—
Safety Concerns	2	7	1	2	—	—	—	—	1	5	—	—
Quality Concerns	—	3	—	—	—	1	—	—	—	2	—	—
Code of Conduct Violation	8	8	1	2	4	—	1	5	2	1	—	—
Retaliation	6	4	2	—	—	—	1	1	3	3	—	—
Violation of Human Rights or Environmental issues in the supply chain	2	—	1	—	—	—	—	—	—	—	1	—
Compliance with Laws, Rules, and Regulations	13	15	6	7	2	—	1	—	4	8	—	—
Other	2	12	—	3	2	5	—	1	—	2	—	1
Status/substantiation (in %)												
Closed cases (partially) substantiated	53%	47%	56%	57%	11%	30%	73%	42%	45%	39%	80%	75%
Closed cases unsubstantiated	42%	43%	37%	39%	67%	35%	20%	58%	55%	51%	20%	13%
Closed cases substantiation undeterminded	5%	10%	7%	4%	22%	35%	7%	—	—	10%	—	13%

The cases reported in this disclosure represent all potential cases that are reported through the KION Group whistleblowing tool, which includes reports via email, by letter, via the web intake form or the hotline, as well as reports to compliance representatives, compliance officers and the Compliance Committee. The primary issue type may change during the investigation of a case. Only approximately half of the reported cases could be (partially) substantiated by an investigation. Even if cases are substantiated, this does not say anything about the severity of a case. For example, cases of discrimination or harassment may be substantiated in some case, but only involve individuals and may not point to systematic problems. The total of reported cases through the whistleblowing tool in 2023 decreased by 30 cases after an increase in the previous year. The decrease is largely attributable to KION SCS, particularly in the category of discrimination and harassment. All reported suspected cases are followed up on. Violations that have already occurred are investigated using effective control measures, such as regular or special audits. Disciplinary action is taken in any identified cases of misconduct. If necessary, the compliance management system is modified to counter future violations (↗ NfR 2023: Compliance organization).

The efficacy of the KION Group's compliance management system is continually reviewed and refined. It is based on the model of the IDW PS 980 auditing standard, which focuses on preventing compliance violations. In 2021, the ↗ external audit of the compliance management system which applies to all KION Group legal entities with a majority stake was completed in the anti-corruption section in accordance with IDW PS 980, based on ISO 19600. In addition to effectiveness, the audit focused on the adequacy and design of the compliance management system. In 2022, it was confirmed that during the audit period the measures were effective, in accordance with the principles applied, in identifying risks of material non-compliance with reasonable assurance in a timely manner as well as preventing non-compliance. The compliance management system did not change in a significant way in 2023 compared to the audit period.

Zero tolerance for corruption and bribery

The KION Group expressly supports the fight against any form of corruption and bribery. For the KION Group, corruption occurs if someone, in return for doing something, demands or receives a benefit to which they have no legal entitlement. Anyone offering or promising such a benefit is also acting corruptly.

The ↗ KGCC further sets out specific requirements on conduct to prevent corruption. It provides guidance on the handling of gifts or benefits granted by or to business partners, dealing with public officials and the topics of donations and sponsorship. The Anti-Bribery and Corruption Policy (ABC Policy) sets country-specific approval limits and a uniform approval process for handling gifts and invitations and defines guidelines for the correct documentation of such transactions. Detailed rules are further included in the KION Group Guidelines on avoiding conflicts of interest (updated in 2022) and the Donations and Sponsorship Policy. The Purchasing Policy (updated in 2021) also contains a subsection on compliance and anti-corruption.

In 2023, confirmed cases or significant risks of anti-competitive or anti-trust behavior as well as active corruption were neither substantiated in internal investigation nor registered in the risk assessment conducted by Corporate Compliance, Legal or Information Security, covering all KION Group legal entities with a majority stake.

Groupwide sustainability principles and guidelines

Principle/guideline	Scope
Anti-Bribery and Anti-Corruption Policy	Sets out guidelines to avoid corruption and any semblance of corruption
Antitrust Policy	Ensures conduct in compliance with competition and antitrust law for all KION Group employees
Communication Policy	Regulates the responsibilities and processes for internal and external communication at the KION Group
↗ Compliance Principles for Independent Partners in KION's Sales & Service Organization	Commits its sales and service partners to upholding the KION Group's compliance principles
Data Protection Policy	Regulates the collection and processing of customers', contracting parties' and employees' personal data
Donations and Sponsorship Policy	Regulates the principles of social involvement and sets out the focus and requirements for donation and sponsorship activities
Emergency Management	Sets out measures to prepare for emergencies that require rapid action and in-depth communication with authorities, the KION Executive Board and employees
↗ HSE Statement of Intent	Provides general guidance for HSE activities across the KION Group
HSE Standard	Contains guidelines & standards for occupational health, safety and environmental protection, concerning the entire workforce of the KION Group, customers and the general public
Information Security Policy	Sets out the overarching goals for information security within the KION Group
↗ International Minimum Employment Standards	Explains fundamental social rights and principles as well as the protection of human rights, for example the exclusion of child and forced labor
↗ KION Group Code of Compliance	Sets out guidelines for all employees across the KION Group to act lawfully and ethically

Groupwide sustainability principles and guidelines

Principle/guideline	Scope
KION Group Product Structure Guideline	Describes an overall standard for product segmentation
Policy on Avoiding Conflicts of Interest Guideline on Avoiding Conflicts of Interest	Sets out principles governing the KION Group's business relationships
↗ Principles of Supplier Conduct	Set out principles with which the KION Group requires its suppliers to comply
Procurement Policy	Determines an overall process that is optimal for the KION Group, ensures the cost-efficient purchase of goods and services as well as legally compliant collaboration with suppliers
Quality Policy	Sets out guidelines for quality assurance in product development and production
Risk Management Policy Risk Management Guideline	Describes tasks, processes and responsibilities in risk management and provides rules for identifying and assessing risks
Travel Policy	Defines principles for business travel and aims, among other things, to avoid travel and replace it with digital alternatives
Treasury Policy	Defines a framework regarding the treasury and financial services function of Group entities
KION Group Internal Investigation Policy	Specifies the management of complaints or potential incidents
↗ General Terms and Conditions of Purchase	Requires suppliers to provide information on conflict minerals
↗ KION Conflict Minerals Standard	Details the obligations of suppliers to ensure compliance with applicable laws, including the KION Group's expectations for its global suppliers regarding Conflict Minerals
Supplier ESG Risk Management Standard	Describes KION's three-level ESG supplier risk management process

Training measures on compliance issues

All new employees at the KION Group are required to complete an e-learning course that covers all aspects of the ↗ KGCC. The KION Group aims to train all employees regularly on the most critical topics: anti-corruption, avoiding conflicts of interest, antitrust and competition law, anti-money laundering, whistleblower protection, data protection, IT security and human rights. Employees without a computer workplace and those who are exposed to particular compliance risks due to their activities – such as sales – receive special trainings in person.

The KION Group offers several e-learning courses on compliance topics to all employees. Participation in these programs is tracked and documented. The courses are tailored depending on different risk categories, which are determined based on the different position descriptions. In risk category I are employees with external contacts according to their position descriptions; these include sales, purchasing, managers with decision-making authority, and service technicians. In risk category II are the middle office, finance depart-ment, accounting, and legal department. In risk category III are production workers and all employees without business decision-making authority.

Since 2021, the compliance training program was expanded to include e-learning courses on respectful workplace culture (anti-discrimination), conflicts of

interest, whistleblower protection and fraud, with a focus on money laundering, cybersecurity and antitrust laws. The KION Group rolled out new training courses on unconscious bias, speak-up culture and whistleblower protection in 2023. Basic e-learning courses on compliance and KION Group policies are assigned to every new employee with access to a laptop or PC. That is the reason why the longstanding e-learning modules on the ↗ KGCC – Avoiding Corruption, Professional

Conduct, and Preventing Money Laundering and Fraud – have relatively small completion figures compared to recently rolled out e-learning modules such as Avoiding Conflicts of Interest (2022) or Speaking Up (2023). Accumulated over time, the completion rate for these trainings is approximating 100 percent. The compliance department receives a daily report on the current status of training activities, allowing it to identify gaps at an early stage and take appropriate action.

Range of compliance trainings offered by the KION Group

	Completed trainings[3]		Percentage of workforce[4]	
	2023	**2022**	**2023**	**2022**
Classroom trainings (KION Group Code of Compliance, incl. Anticorruption etc.)	2,300	4,000	6%	10%
E-Learning: KION Group Code of Compliance	5,200	6,200	13%	15%
E-Learning: Avoiding Corruption in KION Group	4,900	6,400	12%	16%
E-Learning: Professional Conduct at KION	5,400	7,600	13%	19%
E-Learning: Preventing Money Laundering and Fraud at KION[1]	1,400	7,300	3%	18%
E-Learning: Avoiding Conflicts of Interest at KION	6,200	35,800	15%	88%
E-Learning: How unconscious bias affects the workplace[1]	11,200	—	27%	0%
E-Learning: Speaking up[2]	26,000	—	63%	0%
E-Learning: Preventing Anti-Competitive Practice	5,100	32,300	12%	79%

1 New 2023, voluntary.
2 New 2023, all functions.
3 Approximated to full hundreds.
4 Average workforce in 2023: 41,552 full-time equivalents, in 2022: 40,781 full-time equivalents.

Compliance trainings in total within the KION Group (by Operating Units and Corporate Services)

(approximated to 100)

	KION Group		ITS segment						SCS segment		Corporate Services	
			KION ITS EMEA		KION ITS APAC		KION ITS Americas		KION SCS			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
E-Learning: KION Group Code of Compliance	5,200	6,200	2,500	2,400	500	600	200	100	1,400	2,300	500	800
E-Learning: Avoiding Corruption in KION Group	4,900	6,400	2,500	2,600	500	500	200	100	1,300	2,300	500	800
E-Learning: Professional Conduct at KION	5,400	7,600	2,800	3,300	600	700	100	100	1,400	2,600	500	800
E-Learning: Preventing Money Laundering and Fraud at KION[1]	1,400	7,300	600	3,900	200	800	0	100	300	1,400	200	1,000
E-Learning: Avoiding Conflicts of Interest at KION[2]	6,200	35,800	3,100	17,800	700	3,700	200	500	1,700	11,000	600	2,700
E-Learning: Preventing Anti-Competitive Practice	5,100	32,300	2,700	16,200	600	3,400	200	500	1,400	10,200	300	2,100
E-Learning: How unconscious bias affects the workplace[1]	11,200	0	6,000	0	1,100	0	200	0	3,300	0	500	0
E-Learning: Speaking up[2]	26,000	0	14,400	0	2,900	0	500	0	7,000	0	1,300	0

1 New 2023, voluntary.
2 New 2023, all functions.

Clear guidelines for donations and sponsorships

With the revision of the Donations and Sponsorship Policy in 2020, existing rules within the Group were standardized. Approval processes for donations and sponsorship activities are harmonized across the KION Group. Among other topics, the policy stipulates that every donation and every sponsorship activity must be reviewed and approved in advance by the compliance department.

The KION Group follows a global strategy for sponsoring activities that defines clear focal points: the promotion of social institutions, the areas of education and science, as well as the support of environmental projects. With its donations, the KION Group primarily supports social institutions, humanitarian aid projects (including disaster relief), education, and science and environmental projects. As an example, in May 2023, €571,100 were donated to the Red Cross for the earthquake victims in Turkey and Syria.

The KION Group constantly monitors new regulations as well as amendments and participates in dialog with policy makers through its engagement in industry associations, for instance regarding the EU Taxonomy. The KION Group does not engage in direct lobbying activities, interest representation or similar. Internal policies prohibit contributing to political campaigns.

Contributions by type

in € thousand, rounded

	KION Group		ITS segment						SCS segment		Corporate Services	
			KION ITS EMEA		KION ITS APAC		KION ITS Americas		KION SCS			
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Total contributions	**2,996**	**4,696**	**1,500**	**2,473**	**9**	**14**	**79**	**8**	**672**	**740**	**736**	**1,462**
Community investments	**246**	**284**	**40**	**37**	**—**	**—**	**—**	**—**	**206**	**147**	**—**	**100**
Cash contributions	58	130	33	30	—	—	—	—	25	—	—	100
Working time spent	107	7	7	7	—	—	—	—	100	—	—	—
In-kind giving	—	64	—	—	—	—	—	—	—	64	—	—
Management costs (overhead)	82	83	—	—	—	—	—	—	82	83	—	—
Charitable donations	**584**	**1,419**	**108**	**236**	**8**	**13**	**61**	**7**	**116**	**164**	**290**	**1,000**
Cash contributions	568	1,348	98	167	7	10	61	7	116	164	286	1,000
Working time spent	3	14	—	14	—	—	—	—	—	—	3	—
In-kind giving	13	57	10	55	1	3	—	—	—	—	2	—
Management costs (overhead)	—	—	—	—	—	—	—	—	—	—	—	—
Sponsoring	**144**	**117**	**71**	**61**	**—**	**—**	**18**	**1**	**40**	**49**	**15**	**6**
Cash contributions	144	117	71	61	—	—	18	1	40	49	15	6
Working time spent	—	—	—	—	—	—	—	—	—	—	—	—
In-kind giving	—	—	—	—	—	—	—	—	—	—	—	—
Management costs (overhead)	—	—	—	—	—	—	—	—	—	—	—	—
Contributions for political campaigns/organizations	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Cash contributions	—	—	—	—	—	—	—	—	—	—	—	—
Working time spent	—	—	—	—	—	—	—	—	—	—	—	—
In-kind giving	—	—	—	—	—	—	—	—	—	—	—	—
Management costs (overhead)	—	—	—	—	—	—	—	—	—	—	—	—
Contributions to trade associations (cash contributions)	**2,022**	**2,876**	**1,281**	**2,139**	**0**	**1**	**—**	**—**	**310**	**380**	**431**	**356**

Data protection and information security

Data protection and information security are high priorities at the KION Group and are governed by groupwide policies. The Data Protection Policy aims to implement technical and organizational measures to protect personal data, while the KION Group Information Security Policy focuses on safeguarding the confidentiality, integrity, and availability of information and on protecting the KION Group from corresponding attacks.

The KION Group's Information Security Management System (ISMS) is based on ISO 27001. It also covers parts of the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) and Trusted Information Security Assessment Exchange (TISAX). In addition to the reporting channels in the general compliance management system, a central e-mail inbox is available both internally and externally for complaints or notifications relating to a possible breach of data privacy. These reports are documented in a traceable manner and their outcome is monitored.

Safeguarding IT networks from cyber attacks

In 2023, there were about 63 million attack indicators on the KION Group's IT network, which were averted. Since both the number of attacks and their potential to cause damage increased in recent years, the threat level is considered to be acute.

The KION Group regularly analyzes potential or existing risks to information security. Where the risk analyses identify an IT security risk or where there is a deviation from a KION Group security standard, appropriate action is decided upon. Once the residual risk has been assessed, the risk owner decides on whether to accept the residual risk, which is reassessed regularly and safeguarded by means of renewed risk acceptance. In 2023, no reportable and critical IT security incidents were registered.

In addition, the KION Group has implemented a state-of-the art cyber security tool stack to protect against and respond to current and future cyber threats as quickly as possible. The Cyber Defense Center operates 24 hours a day, 7 days a week, 365 days a year across the EMEA, APAC and Americas regions.

Global Cyber Defense Center

Americas   EMEA   APAC

24 h — 7 d — 365 d
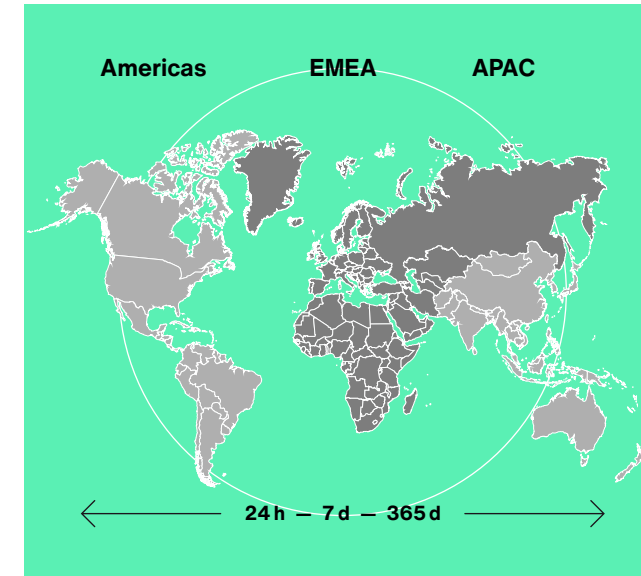
To safeguard the KION Group's IT networks, defensive measures are controlled by the so-called Blue team while offensive measures are carried out by the Red team. These Red team exercises, like incident simulations, are highly advanced security assessments, which lead to better cyber defense. In addition, permanent vulnerability scans of the complete IT and operational technology infrastructure are an important component of success:

— Search for errors and gaps in appropriate software, then report and evaluate the results,
— Simulate attacks with joint external partners,
— Involve specialist departments in the search for vulnerabilities,
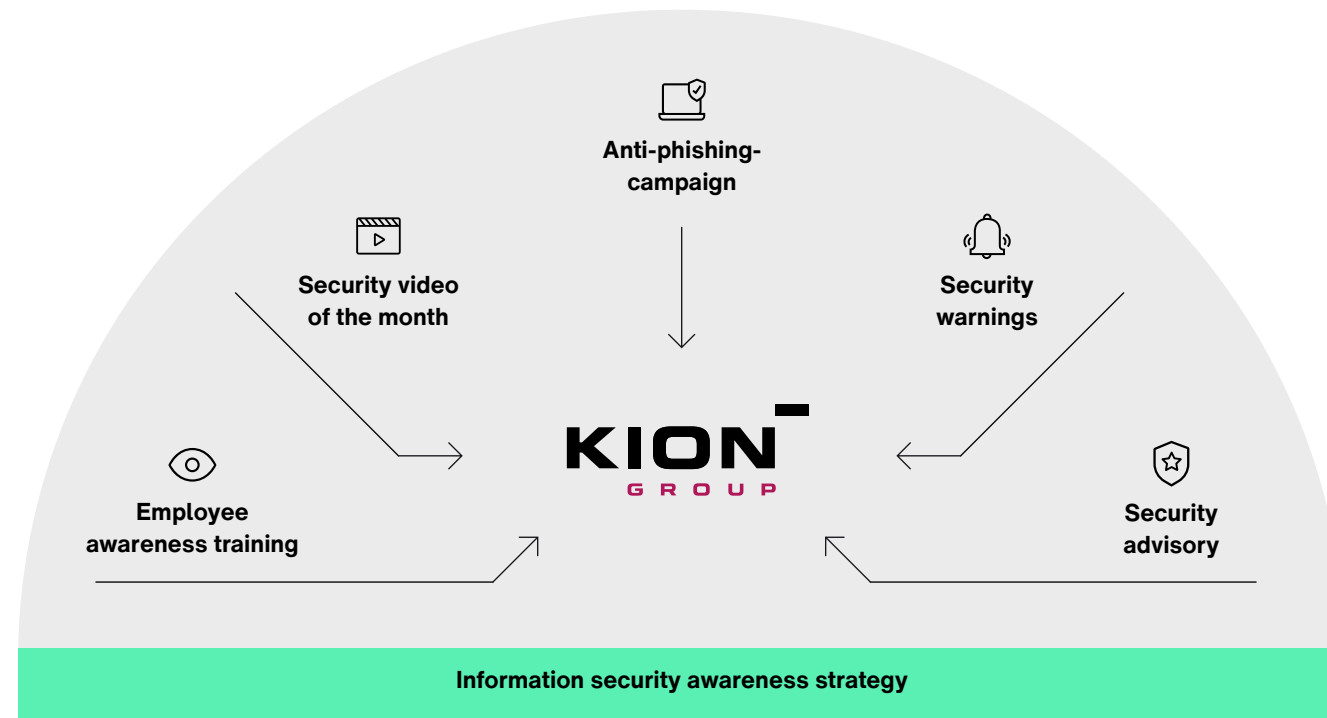— Carry out regular security tests on all platforms.

IT security awareness training

Besides the KION Information Security Policy, all 42,325 employees worldwide are requested to participate in the annual information security awareness training. Anti-phishing and social engineering awareness training is further enhanced on a regular basis. By introducing the Compliance and Data Protection Week in 2023, the KION Group puts emphasis on integrity, open and trusting communication, and ways to address misconduct.

Regular IT security training measures include:

— Online training on IT security issues at least once a year,
— Global anti-phishing campaigns,
— Monthly video sequence on the social intranet on the topic of information security,
— Target group-specific information security training,
— Instructions on how to secure the IT infrastructure.

Information security awareness strategy

Security video of the month

Anti-phishing-campaign

Security warnings

Employee awareness training

KION GROUP

Security advisory

Information security awareness strategy

Annex

Annex

Further disclosure on materiality analysis

The KION Group regularly revises its groupwide materiality analysis and incorporates the results in the sustainability strategy and sustainability action field's activities. A description of the latest materiality analysis process can be found in the ↗ non-financial report 2023. This further disclosure provides details on the highest-ranked material issues and their business cases, on the main external impacts identified and their relevance to external stakeholders. Further information on how the KION Group addresses material topics, related risks and impacts can be found in the respective action field's chapter (↗ NfR 2023: Contents).

Business cases on material issues
The following section will describe the most relevant risks and opportunities associated to the highest-ranked material issues for the KION Group (↗ NfR 2023: Group-wide materiality analysis). These business cases outline how the related material issues potentially impact the KION Group's business and its long-term value creation by leading to cost savings, revenue generation, and risk mitigation.

Business case for climate action
The KION Group's approach to climate action includes the reduction of GHG emissions and energy consumption across the value chain, adopting renewable energy sources and energy-efficient technologies to mitigate climate-related risks. This can positively contribute to enhancing the reputation of the Group's brands. As customers and investors increasingly prioritize sustain-ability, positioning the KION Group as a leader in climate action will enable the Group to attract environmentally conscious customers and investors, potentially expanding its market share and revenue streams.

The implementation of energy-efficient technologies and increase of renewable energy sources can significantly reduce energy consumption and related costs. Energy-efficient processes and equipment have the potential to lower operational expenses, leading to long-term cost savings.

The operational risks posed by climate change – such as supply chain disruption, regulatory changes and increased insurance costs – can be mitigated or reduced by proactively addressing the financial impacts associated with these risks. By reducing energy consumption and mitigating climate-related risks, the KION Group can

enhance cost savings, attract sustainability-focused customers and investors, and thus generate new revenue streams.

Business case for circular products and business models
The adoption of circular products and business models can create long-term value aimed at the transition towards a circular economy. Designing products for durability, reuse and recycling represents an opportunity for the KION Group. Embracing circularity demonstrates the KION Group's commitment towards end-to-end trans-parency and traceability. Such initiatives can differentiate the Group's products and brands from competitors and build customer loyalty. Circular products and business models can also create new revenue streams, such as product refurbishment services and leasing options. These offerings can attract customers seeking sustainable solutions and generate additional revenue beyond conventional product sales.

Moreover, implementing circular products and business models will reduce raw material costs by promoting product reuse, refurbishment, and remanufacturing. By minimizing waste and optimizing resource utilization, the KION Group can reduce procurement expenses and material waste disposal costs.

Business case for sustainable supply chain
Responsible sourcing practices contribute to ensuring compliance with ethical, social and environmental standards, while strengthening supplier relations and fostering collaboration for continuous improvement. By establishing sustainable and reliable supply chains, the KION Group can mitigate potential financial impacts resulting from supplier-related risks, such as avoiding non-compliance and disruptions which ultimately can otherwise lead to a loss of customer trust.

Opportunities can also arise by collaborating with suppliers on initiatives such as the optimization of procurement processes aimed at shared cost reductions and reduced lead times. Additionally, conducting supplier risk analyses and assessing suppliers on their sustainability performance allows the KION Group to improve its supply chain resilience. As customers increasingly expect transparency throughout the supply chain, demonstrating a commitment to sustainable sourcing can in turn assist the KION Group in attracting environmentally and socially conscious customers.

Material issues for external stakeholders
During the 2022 materiality analysis update, external stakeholders were asked to provide input on two perspectives: organizational impact and stakeholder relevance. These were respectively represented in the materiality matrix on the y-axis and as bubble size (↗ NfR 2023: Groupwide materiality analysis).

With respect to the organizational impact, external stakeholders ranked topics on a scale from greatest impact to lowest impact. They also provided details on the most important impacts that they identified for each ranked topic. Taking this input into consideration, the topics which obtained an average score above the set threshold for organizational impact were deemed material.

The main impacts identified and the reasons for their high ranking (materiality) are outlined in the following. With respect to potential positive impacts stemming from the KION Group's activities, the reduction of GHG emissions across the value chain was identified as one of the main impacts in 'Climate action'. For instance, stakeholders mentioned enabling customers to reach their climate targets through the Group's products and solutions as well as promoting the energy transition to renewable energy. On the other hand, the insufficient reduction of GHG emissions was identified as a potential negative impact, for instance through a slow conversion in the remaining internal combustion product offering to an electrified one, or by not fulfilling climate ambitions (which can also have negative repercussions on the progress of industry peers). With respect to 'Sustainable supply chain', one of the main positive impacts identified is that, by monitoring the sustainability performance of suppliers and drawing the necessary conclusions when violations are identified, suppliers are incentivized to hold up to and meet the Group's standards and require-ments. This also influences industry-wide sustainability standards, subsequently resulting in positive environ-mental and social impacts. On the other hand, potential negative impacts might occur if the KION Group does not sufficiently engage its suppliers in GHG reduction initiatives.

Both 'Climate action' and 'Sustainable supply chain' were also ranked highly in terms of stakeholder relevance. As the materiality matrix indeed shows, they are the largest bubbles depicted in the graph size (↗ NfR 2023: Groupwide materiality analysis). Stakeholders also provided qualitative reasons for their perceived topic relevance.

Both internal and external stakeholders agree that establishing strong positioning, ambitious targets and appropriate measures in the field of 'Climate action' is key. This topic is also perceived as highly relevant when considering current and upcoming regulatory require-ments (such as EU Taxonomy and the EU Corporate Sustainability Reporting Directive). With respect to 'Sustainable supply chain', external stakeholders see this as a relevant topic to them, in that they see potential for collaboration on and contribution to truly sustainable supply chains. Especially in the internal stakeholders' perception, this issue is highly relevant due to the moral duty of the Group to respecting human rights along the entire value chain, as well as to the newly established regulatory requirements (for instance, the Act on Corporate Due Diligence in Supply Chains, or the Lieferkettensorgfaltspflichtengesetz).

Further disclosure on 02 | Talent

Contract types

	2023		2022	
Full-time/part-time, gender (based on headcount)	**Full-time**	**Part-time**	**Full-time**	**Part-time**
Total	**97.1%**	**2.9%**	**97.2%**	**2.8%**
Male	98.7%	1.3%	98.7%	1.3%
Female	90.2%	9.8%	90.0%	10.0%
Gender not available	98.9%	1.1%	100.0%	—
Indefinite/fixed-term, gender (based on headcount)	**Indefinite**	**Fixed-term**	**Indefinite**	**Fixed-term**
Total	**89.7%**	**10.3%**	**89.7%**	**10.3%**
Male	89.8%	10.2%	89.8%	10.2%
Female	89.1%	10.9%	89.1%	10.9%
Gender not available	93.5%	6.5%	98.9%	1.1%
Indefinite/fixed-term, gender (based on headcount)	**Indefinite**	**Fixed-term**	**Indefinite**	**Fixed-term**
Total	**97.2%**	**2.8%**	**97.4%**	**2.6%**
EMEA	**96.1%**	**3.9%**	**96.6%**	**3.4%**
Western Europe	96.9%	3.1%	97.8%	2.2%
Eastern Europe	91.9%	8.1%	91.0%	9.0%
Middle East and Africa	92.4%	7.6%	100.0%	—
Americas	**99.9%**	**0.1%**	**100.0%**	**0.0%**
North America	100.0%	—	100.0%	—
Central and South America	99.0%	1.0%	98.2%	1.8%
APAC	**99.5%**	**0.5%**	**98.6%**	**1.4%**
China	99.8%	0.2%	99.7%	0.3%
APAC excluding China	98.3%	1.7%	97.8%	2.2%

Based on headcount as at balance sheet date 31/12/.

Age structure of employees, length of service and termination rate

	2023	2022
Employees per age group	**100%**	**100%**
< 20 years	1.0%	0.9%
20–29 years	16.2%	16.9%
30–39 years	30.5%	30.3%
40–49 years	26.0%	25.5%
50–59 years	20.6%	20.9%
≥ 60 years	5.6%	5.3%
not specified	0.2%	0.2%
Employees per length of service	**100%**	**100%**
< 5 years	46.8%	47.9%
5–9 years	19.6%	17.9%
10–19 years	18.7%	19.0%
20–29 years	9.7%	9.6%
30–39 years	4.4%	4.8%
≥ 40 years	0.7%	0.8%
not specified	—	—
Termination rate	**12.0%**	**14.6%**

Based on headcount as at balance sheet date 31/12/.

Employee satisfaction by gender, age structure, management level

	2023		2022	
	Response rate	Engagement score	Response rate	Engagement score
Employee satisfaction by gender				
Male	78.0%	74	75.0%	74
Female	87.0%	73	84.0%	72
No gender available	74.0%	75	74.0%	76
Employee satisfaction by age structure				
< 30 years	75.0%	74	73.0%	76
30–44 years	82.0%	74	79.0%	74
≥ 45 years	79.0%	73	76.0%	73
Employee satisfaction by management level				
Executive	93.0%	77	92.0%	77
Manager	92.0%	74	91.0%	73
Employee	78.0%	74	75.0%	74

Based on headcount as at balance sheet date 31/12/.

About the Sustainability Insights

The ↗ non-financial report as well as the Sustainability Insights are created with reference to the standards of the Global Reporting Initiative (GRI). The KION Group's sustainability reporting aligns with the requirements of the Sustainability Accounting Standards Board (SASB) in accordance with the Industrial Machinery & Goods sector standard (version 2018-10). In addition, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) are incorporated. By taking the SASB standard and TCFD recommendations into account, the transparency requirements of the capital market with regard to sustainability are considered in particular. The → GRI content index, → SASB content index and → TCFD content index in the Annex include the essential topics for the KION Group in reference with GRI-, SASB- and TCFD-related disclosures.

Collection and comparability of data and information
The key figures in this disclosure were generally collected via 124 reporting entities within the KION Group. Data for 40 production and administration entities, so-called plants, were collected individually, while 84 reporting points for sales, service and installation companies partially comprise aggregated data from several locations. Varying degrees of aggregation in data collection are shown at the appropriate points, and all employees and consolidated

subsidiaries of the KION Group are included aside from exceptional cases. The Sustainability Insights thus covers all consolidated companies based in around 40 countries and with around 400 locations.

The collection of data, which forms the essential basis for the key figures contained in the disclosure, is ensured throughout the KION Group by internal reporting systems. Currently, around 1,000 indicators are recorded throughout the Group for non-financial reporting purposes. Figures in this Sustainability Insights have been rounded, so there may be discrepancies between the totals of the individual amounts in the tables and the totals given as well as between the figures in the tables and their respective analysis in the text section of the ↗ non-financial report. All percentage changes and ratios were calculated using the underlying data. Potential deviations from data in previous reports may result from data that has been updated in the meantime, for example due to an improved database, replacement of estimations by later actuals, a change in calculation methodology, or regular updates of conversion and emission factors. Significant changes to previously reported data, that is, greater than five percent in total quantity, are marked in the appropriate places and commented. Due to multiple influencing factors and the divergent global situation, a detailed interpretation of changes compared to previous years is provided only in individual cases. If clear statements can be derived, this is commented on at the appropriate points.

Forward-looking statements
The Sustainability Insights contains forward-looking statements that relate to the current plans, objectives, forecasts and estimates of the management of KION GROUP AG. These statements take into account only that knowledge that was available up to and including the date on which this publication was prepared. The management of KION GROUP AG cannot guarantee that these forward-looking statements will prove to be correct. The future development of KION GROUP AG and its subsidiaries, and the results that are actually achieved, are subject to a variety of risks and uncertainties that could cause actual events or results to differ significantly from those reflected in the forward-looking statements. Many of these factors are beyond the control of KION GROUP AG and its subsidiaries and, as such, cannot be estimated accurately in advance. The factors include, but are not limited to, changes in economic conditions and the competitive environment, changes in legislation, fluctuations in interest or exchange rates, litigation or inquiries, and the availability of financial resources. These and other risks and uncertainties are detailed in the Group Management Report 2023, which was combined with the Company Management Report. Additional factors may also have an adverse impact on the business development and results. KION GROUP AG does not intend to, nor does it assume any special obligation to, update forward-looking statements or to adjust them to correspond with events or developments to occur after the publication of the Sustainability Insights.

Additional remarks

To ensure better readability, this report partly refrains from using gender-specific language. Where personal pronouns are used, this is to be understood as gender neutral.

The ↗ non-financial report 2023 and the Sustainability Insights can be downloaded in PDF format in the sustainability section on the corporate website. The independent auditor's report on a limited assurance engagement of the ↗ non-financial report according to Section 315b of the German Commercial Code (HGB), Regulation (EU) 2020/852 can be found on the ↗ KION Group website. Further and more detailed information can be found on the ↗ KION Group website and in the ↗ annual report 2023.

GRI content index

Disclosures	References

GRI 1: Foundation
[GRI 1 does not contain any disclosures.]

GRI 2: General Disclosures
The organization and its reporting practices

2-1	Organizational details	→ Sustainability management
		↗ NfR 2023: Introduction > Company profile
		↗ Annual report 2023: Combined management report > Business model and organizational structure
		↗ Annual report 2023: Combined management report > Disclosures relevant to acquisitions
		↗ Annual report 2023: Notes to the consolidated financial statements > [48] List of the shareholdings of KION GROUP AG, Frankfurt am Main
2-2	Entities included in the organization's sustainability reporting	→ About the Sustainability Insights
		↗ NfR 2023: Further notes > Scope and assurance of this report
		↗ Annual report 2023: Notes to the consolidated financial statement > [48] List of the shareholdings of KION GROUP AG, Frankfurt am Main
2-3	Reporting period, frequency and contact point The KION Group NfR 2023 is published on February 29, 2024. The KION Group Sustainability Insights 2023 is published on 16 May, 2024.	→ Disclaimer → Publication information ↗ NfR 2023: Further notes > Scope and assurance of this report ↗ NfR 2023: Annex > Imprint ↗ Annual report 2023: Independent auditor's report
2-4	Restatements of information	→ About the Sustainability Insights > Collection and comparability of data and information
		↗ NfR 2023: Further notes > Collection and comparability of data and information
2-5	External assurance	↗ NfR 2023: Further notes > Scope and assurance of this report
		↗ NfR 2023: Annex > Independent auditor's report
		↗ Independent Auditor's Report 2023

Activities and workers

2-6	Activities, value chain and other business relationships	→ Sustainability management
		→ 07 | Supply chain
	The KION Group is not aware of any cases where its brands, products, and services are not permitted in certain markets.	↗ NfR 2023: Introduction > Company profile
		↗ NfR 2023: 07 | Supply Chain
		↗ Annual report 2023: Company profile
		↗ Annual report 2023: Combined management report > Business model and organizational structure
		↗ Annual report 2023: Combined management report > Business performance in the Group
		↗ Annual report 2023: Combined management report > Sustainability
2-7	Employees	→ 02 | Talent
		→ Annex > Further disclosure on 02 | Talent
		↗ NfR 2023: 02 | Talent
		↗ Annual report 2023: Combined management report > Employees
2-8	Workers who are not employees	Workers who are not active employees were employed in different areas in production, administration, sales and services and installations.
		The share of temporary agency workers further decreased on a level below 10 % (as in the previous year) compared to active employees.

Governance

2-9	Governance structure and composition	→ 02 | Talent > Diversity, equity and inclusion
		→ 08 | Sustainable governance > Sustainability organization
		↗ NfR 2023: 08 | Sustainable governance > Organization and management
		↗ Annual report 2023: Corporate governance statement > 3. Working methods of the Executive Board and Supervisory Board and composition of the committees of the Supervisory Board; shareholders and Annual General Meeting
		↗ Annual report 2023: Corporate governance statement > 5. Diversity
		↗ Annual report 2023: Combined management report > Management and control
2-10	Nomination and selection of highest governance body	↗ Annual report 2023: To our shareholders > Personnel matters relating to the Executive Board
		↗ Annual report 2023: Corporate governance statement > Composition of the Supervisory Board
		↗ Annual report 2023: Corporate governance statement > Nomination Commitee
2-11	Chair of highest governance body	↗ Annual report 2023: Combined management report > Management and control
2-12	Role of highest governance body in overseeing the management of impacts	→ Foreword
		→ 08 | Sustainable governance > Sustainability organization
		↗ NfR 2023: Foreword to the non-financial report 2023
		↗ NfR 2023: 08 | Sustainable governance > Organization and management
		↗ NfR 2023: 08 | Sustainable governance > Sustainability organization

2-13	Delegation of responsibility for managing impacts	→ 08 | Sustainable governance > Sustainability organization
		→ 08 | Sustainable governance > Governance of sustainability action fields
		↗ NfR 2023: 08 | Sustainable governance > Sustainability organization
2-14	Role of the highest governance body in sustainability reporting	↗ NfR 2023: Sustainability management > Sustainability strategy, action fields and targets
		↗ NfR 2023: Sustainability management > Groupwide materiality analysis
2-15	Conflicts of interest	↗ Annual report 2023: Corporate governance statement > 2.4 Avoiding conflicts of interests
		↗ Annual report 2023: To our shareholders > Corporate governance matters handled by the Supervisory Board
2-16	Communication of critical concerns	→ 08 | Sustainable governance > Strict and unambiguous compliance management (Number of reported cases through the KION whistleblowing tool by primary issue type, status and substantiation of closed cases)
		↗ NfR 2023: 08 | Sustainable governance > Compliance organization
2-17	Collective knowledge of highest governance body	→ Foreword
		→ 01 | Occupational health and safety > Health and safety culture
		→ 05 | Climate and energy > Active management of climate and energy aspects
		→ 08 | Sustainable governance > Sustainability organization
		↗ NfR 2023: Sustainability management > Sustainability strategy, action fields and targets
		↗ NfR 2023: Sustainability management > Groupwide materiality analysis
		↗ NfR 2023: 05 | Climate and energy > Targets and levers
		↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management
		↗ Annual report 2023: Corporate governance statement > 5. Diversity
		In 2023, in addition to regular meetings, dedicated deep dive sessions on several sustainability related topics with the Boards and Board members were conducted.
2-18	Evaluation of the performance of the highest governance body	↗ KION Group website: Remuneration of the Executive Board and the Supervisory Board
2-19	Remuneration policies	↗ NfR 2023: 08 | Sustainable governance > Sustainability performance and remuneration
		↗ Remuneration report 2023
2-20	Process to determine remuneration	↗ Brief overview of the remuneration system for the members of the Executive Board from the financial year 2021
		↗ Voting Results Annual General Meeting 2023
		↗ Annual report 2023: Corporate governance statement > Remuneration Committee
2-21	Annual total compensation ratio	↗ Remuneration report 2023
		↗ Annual report 2023: Combined management report > Employees

Strategy, policies and practices

2-22	Statement on sustainable development strategy	→ Foreword
		↗ NfR 2023: Foreword to the non-financial report 2023
2-23	Policy commitments	→ 01	Occupational health and safety
		→ 05	Climate and energy > (Local) environmental protection and biodiversity
		→ 07	Supply chain > Supplier requirements and guidelines
		→ 07	Supply chain > ESG supplier risk management process
		→ 07	Supply chain > Supplier diversity
		→ 08	Sustainable governance > Zero tolerance for corruption and bribery (Groupwide sustainability principles and guidelines)
		→ 08	Sustainable governance > Clear guidelines for donations and sponsorships
		→ 08	Sustainable governance > Data protection and information security
		↗ NfR 2023: 01	Occupational health and safety > Comprehensive management approach
		↗ NfR 2023: 02	Talent > Extensive international KION Group employment standards
		↗ NfR 2023: 05	Climate and energy > (Local) environmental protection and biodiversity
		↗ NfR 2023: 07	Supply chain > Supplier requirements and guidelines
		↗ NfR 2023: 08	Sustainable governance > Organization and management
		↗ NfR 2023: 08	Sustainable governance > Compliance management
		↗ NfR 2023: 08	Sustainable governance > Zero tolerance for corruption and bribery
		↗ NfR 2023: 08	Sustainable governance > Clear guidelines for donations and sponsorships
		↗ NfR 2023: 08	Sustainable governance > Data protection and information security

2-24	Embedding policy commitments	→ 01 | Occupational health and safety
		→ 05 | Climate and energy > (Local) environmental protection and biodiversity
		→ 07 | Supply chain > Supplier requirements and guidelines
		→ 07 | Supply chain > ESG supplier risk management process
		→ 07 | Supply chain > Supplier diversity
		→ 08 | Sustainable governance > Zero tolerance for corruption and bribery (Groupwide sustainability principles and guidelines)
		→ 08 | Sustainable governance > Clear guidelines for donations and sponsorships
		→ 08 | Sustainable governance > Data protection and information security
		↗ NfR 2023: 01 | Occupational health and safety > Comprehensive management approach
		↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
		↗ NfR 2023: 05 | Climate and energy > (Local) environmental protection and biodiversity
		↗ NfR 2023: 07 | Supply chain > Supplier requirements and guidelines
		↗ NfR 2023: 08 | Sustainable governance > Organization and management
		↗ NfR 2023: 08 | Sustainable governance > Compliance management
		↗ NfR 2023: 08 | Sustainable governance > Zero tolerance for corruption and bribery
		↗ NfR 2023: 08 | Sustainable governance > Clear guidelines for donations and sponsorships
		↗ NfR 2023: 08 | Sustainable governance > Data protection and information security
2-25	Process to remediate negative impacts	→ 02 | Occupational health and safety > Comprehensive OHS management
		→ 07 | Supply chain > ESG supplier risk management process
		→ 08 | Sustainable governance > Stakeholder dialog
		→ 08 | Sustainable governance > Strict and unambigious compliance management
		→ Annex > Further disclosure on materiality analysis
		↗ NfR 2023: Sustainability management > Sustainability strategy, action fields and targets
		↗ NfR 2023: Sustainability managment > Groupwide materiality analysis
		↗ NfR 2023: 02 | Talent > Compliance with international labor and human rights
		↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
		↗ NfR 2023: 07 | Supply chain > Sustainable supply chain management
		↗ NfR 2023: 07 | Supply chain > Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)
		↗ NfR 2023: 08 | Sustainable governance > Compliance management
2-26	Mechanisms for seeking advice and raising concerns	→ 08 | Sustainable governance > Strict and unambigious compliance management
		→ 08 | Sustainable governance > Training measures on compliance issues
		↗ NfR 2023: 08 | Sustainable governance > Compliance management
		↗ NfR 2023: 08 | Sustainable governance > Compliance organization

2-27	Compliance with laws and regulations	→ 03 | Product and solution safety
		→ 05 | Climate and energy > (Local) environmental protection and biodiversity
		→ 07 | Supply chain > Conflict minerals and conflicted areas
		→ 08 | Sustainable governance > Strict and unambigious compliance management (Number of reported cases through the KION whistleblowing tool per primary issue type, status and substantiation of closed cases)
		→ 08 | Sustainable governance > Zero tolerance for corruption and bribery (Groupwide sustainability principles and guidelines)
		→ 08 | Sustainable governance > Safeguarding IT networks from cyber attacks
		↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
		↗ NfR 2023: 02 | Talent > Co-determination by employees
		↗ NfR 2023: 03 | Product and solution safety > Commitment to safety standards
		↗ NfR 2023: 05 | Climate and energy > (Local) environmental protection and biodiversity
		↗ NfR 2023: 07 | Supply chain > Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)
		↗ NfR 2023: 07 | Supply chain > Conflict minerals and conflict areas
		↗ NfR 2023: 08 | Sustainable governance > Compliance management
		↗ NfR 2023: 08 | Sustainable governance > Zero tolerance for corruption and bribery
		↗ NfR 2023: 08 | Sustainable governance > Data protection and information security
2-28	Membership associations	→ 02 | Talent > Diversity, equity and inclusion
		→ 03 | Product and solution safety > Safety standards and quality
		→ 04 | Product and solution sustainability > Standardization and idea management
		→ 08 | Sustainable governance > Stakeholder dialog
		→ 08 | Sustainable governance > Strict and unambigious compliance management
		→ 08 | Sustainable governance > Clear guidelines for donations and sponsorships (Contributions by type)

Stakeholder engagement

2-29	Approach to stakeholder engagement	→ Sustainability management > Sustainability understanding
		→ 03 | Product and solution safety > Close exchange with customers on safety
		→ 08 | Sustainable governance > Stakeholder dialog
		→ Annex > Further disclosure on materiality analysis
		↗ NfR 2023: Sustainability management > Groupwide materiality analysis
		↗ NfR 2023: 08 | Sustainable governance > Sustainability performance and remuneration
2-30	Collective bargaining agreements	↗ NfR 2023: 02 | Talent > Wages and salaries in line with the market
		↗ NfR 2023: 02 | Talent > Co-determination by employees

GRI 3: Material topics	
Disclosure on material topics	
3-1 Process to determine material topics	→ Sustainability management > Strategic link to the Sustainable Development Goals
	→ Annex > Further disclosure on materiality analysis
	↗ NfR 2023: Sustainability management > Groupwide materiality analysis
	↗ Sustainability report 2022: Further sustainability-related disclosure > Further disclosure on Sustainability management
3-2 List of material topics	↗ NfR 2023: Sustainability management > Groupwide materiality analysis
3-3 Management of material topics	→ Annex > Further disclosure on materiality analysis
	↗ NfR 2023: Sustainability management > Groupwide materiality analysis
	↗ NfR 2023: 01	Occupational health and safety
	↗ NfR 2023: 03	Product and solution safety
	↗ NfR 2023: 04	Product and solution sustainability
	↗ NfR 2023: 05	Climate and energy
	↗ NfR 2023: 06	Circularity
	↗ NfR 2023: 07	Supply Chain
	↗ Sustainability report 2022: Further sustainability-related disclosure > Further disclosure on Sustainability management

GRI 200: Economic	
Topic: Economic Performance	
GRI 201: Economic Performance	
201-1 Direct economic value generated and distributed	→ 08	Sustainable governance > Clear guidelines for donations and sponsorships (Contributions by type)
	↗ NfR 2023: Introduction > Company profile
	↗ Annual report 2023: Consolidated income statement

Topic: Anti-corruption	
GRI 205: Anti-corruption	
205-1 Operations assessed for risks related to corruption	→ 08	Sustainable governance > Zero tolerance for corruption and bribery ↗ NfR 2023: 08	Sustainable governance > Zero tolerance for corruption and bribery
205-2 Communication and training about anti-corruption policies and procedures	→ 08	Sustainable governance > Strict and unambigious compliance management → 08	Sustainable governance > Training measures on compliance issues ↗ NfR 2023: 08	Sustainable governance > Training measures on compliance issues ↗ NfR 2023: 08	Sustainable governance > Zero tolerance for corruption and bribery
205-3 Confirmed incidents of corruption and actions taken	→ 08	Sustainable governance > Zero tolerance for corruption and bribery ↗ NfR 2023: 08	Sustainable governance > Zero tolerance for corruption and bribery
Topic: Tax	
GRI 207: Tax	
207-1 Approach to tax	Taxes were not identified as a material issue in the 2022 groupwide materiality analysis update and are therefore currently not reported in greater detail by KION GROUP AG.
207-2 Tax governance, control, and risk management	
207-3 Stakeholder engagement and management of concerns related to tax	
207-4 Country-by-country reporting	

GRI 300: Environmental	
Topic: Energy	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 05	Climate and energy ↗ NfR 2023: 06	Circularity
GRI 302: Energy	
302-1 Energy consumption within the organization	→ 05	Climate and energy > Progress in 2023 across Scope 1, 2 and 3 ↗ NfR 2023: 05	Climate and energy > Comprehensive climate management

Topic: Water and Effluents	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 05 | Climate and energy > (Local) environmental protection and biodiversity
GRI 303: Water and Effluents	
303-3 Water withdrawal	→ 05 | Climate and energy > (Local) environmental protection and biodiversity ↗ NfR 2023: 05 | Climate and energy > (Local) environmental protection and biodiversity
303-4 Water discharge	→ 05 | Climate and energy > (Local) environmental protection and biodiversity ↗ NfR 2023: 05 | Climate and energy > (Local) environmental protection and biodiversity
Topic: Emissions	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 04 | Product and solution sustainability ↗ NfR 2023: 05 | Climate and energy ↗ NfR 2023: 07 | Supply chain
GRI 305: Emissions	
305-1 Direct (Scope 1) GHG emissions	→ 05 | Climate and energy > Progress in 2023 across Scope 1, 2 and 3 ↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management
305-2 Energy indirect (Scope 2) GHG emissions	→ 05 | Climate and energy > Progress in 2023 across Scope 1, 2 and 3 ↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management
305-3 Other indirect (Scope 3) GHG emissions	→ 05 | Climate and energy > Progress in 2023 across Scope 1, 2 and 3 ↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	→ 05 | Climate and energy > (Local) environmental protection and biodiversity (Other significant air emissions (direct))
Topic: Waste	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 06 | Circularity ↗ NfR 2023: 05 | Climate and energy > (Local) environmental protection and biodiversity

GRI 306: Waste

| 306-3 | Waste generated | → 05 \| Climate and energy > (Local) environmental protection and biodiversity |
| | | ↗ NfR 2023: (Local) environmental protection and biodiversity |

| 306-4 | Waste diverted from disposal | → 05 \| Climate and energy > (Local) environmental protection and biodiversity |
| | | ↗ NfR 2023: (Local) environmental protection and biodiversity |

| 306-5 | Waste directed to disposal | → 05 \| Climate and energy > (Local) environmental protection and biodiversity |
| | | ↗ NfR 2023: (Local) environmental protection and biodiversity |

Topic: Supplier Environmental Assessment

GRI 3-3: Management of material topics

↗ NfR 2023: 07 \| Supply Chain

GRI 308: Supplier Environmental Assessment

| 308-1 | New suppliers that were screened using environmental criteria | → 07 \| Supply chain > ESG supplier risk management process |
| | | ↗ NfR 2023: 07 \| Supply chain > Sustainable supply chain management |

GRI 400: Social

Topic: Occupational Health and Safety

GRI 3-3: Management of material topics

↗ NfR 2023: 01 \| Occupational health and safety

GRI 403: Occupational Health and Safety

403-1	Occupational health and safety management system	→ 01 | Occupational health and safety > Comprehensive OHS management
		↗ NfR 2023: 01 | Occupational health and safety > Comprehensive management approach
		↗ NfR 2023: 01 | Occupational health and safety > Dedicated rules, groupwide certification, and a proactive approach

403-2	Hazard identification, risk assessment, and incident investigation	→ 01 | Occupational health and safety > Comprehensive OHS management
		↗ NfR 2023: 01 | Occupational health and safety > Establishing a permanent health and safety culture
		↗ NfR 2023: 01 | Occupational health and safety > Dedicated rules, groupwide certification, and a proactive approach

| 403-3 | Occupational health services | → 01 \| Occupational health and safety > Health and safety culture |
| | | ↗ NfR 2023: 01 \| Occupational health and safety > Establishing a permanent health and safety culture |

403-4	Worker participation, consultation, and communication on occupational health and safety	→ 01 | Occupational health and safety > Employee training and involvement
		↗ NfR 2023: 01 | Occupational health and safety > Establishing a permanent health and safety culture
		↗ NfR 2023: 01 | Occupational health and safety > Employee engagement through communication and training

403-5	Worker training on occupational health and safety	→ 01 | Occupational health and safety > Employee training and involvement
		↗ NfR 2023: 01 | Occupational health and safety > Employee engagement through communication and training
403-6	Promotion of worker health	→ 01 | Occupational health and safety > Health and safety culture
		↗ NfR 2023: 01 | Occupational health and safety > Establishing a permanent health and safety culture
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	→ 01 | Occupational health and safety
		→ 03 | Product and solution safety
		↗ NfR 2023: 01 | Occupational health and safety
		↗ NfR 2023: 03 | Product and solution safety
403-8	Workers covered by an occupational health and safety management system	→ 01 | Occupational health and safety > Comprehensive OHS management
		↗ NfR 2023: 01 | Occupational health and safety > Comprehensive management approach
403-9	Work-related injuries	→ 01 | Occupational health and safety > Comprehensive OHS management
		↗ NfR 2023: 01 | Occupational health and safety > Establishing a permanent health and safety culture
		LTIFR for temporary agency staff: 7.2 (2022: 9.2)[1]
		Gross LTIFR[2] = 5.4 (2022: 6.1)

1 Fiscal year 2022 figures for LTIFR of Temporary agency staff were adjusted due restatement in the number of working hours. Change after recalculation compared to the reported value in the sustainability report 2022: +6.7 %.

2 The number of reported work related accidents resulting in the loss of one full working day or more among active employees, temporary agency staff, third-party companies and visitors to company sites relative to one million hours worked by active employees and temporary agency staff.

Topic: Diversity and Equal Opportunities	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 02 | Talent > Broad spectrum of skills and cultures
	↗ NfR 2023: 02 | Talent > Diversity as strength
	↗ Annual report 2023: 5. Diversity
GRI 405: Diversity and Equal Opportunities	
405-1 Diversity of governance bodies and employees	→ 02 | Talent > Diversity, equity and inclusion
	→ Annex > Further disclosure on 02 | Talent
	↗ Annual report 2023: 5. Diversity
	↗ KION Group website: Management

Topic: Non-discrimination	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 02 | Talent > Broad spectrum of skills and cultures
	↗ NfR 2023: 02 | Talent > Diversity as strength
	↗ NfR 2023: 02 | Talent > Compliance with international labor and human rights
	↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
	↗ NfR 2023: 07 | Supply chain > Supplier requirements and guidelines
GRI 406: Non-discrimination	
406-1 Incidents of discrimination and corrective actions taken	→ 08 | Sustainable governance > Strict and unambigious compliance management
	↗ NfR 2023: 02 | Talent > Compliance with international labor and human rights
	↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
	↗ NfR 2023: 08 | Sustainable governance > Compliance management
	↗ NfR 2023: 08 | Sustainable governance > Training measures on compliance issues
Topic: Freedom of Association and Collective Bargaining	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 02 | Talent > Compliance with international labor and human rights
	↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
	↗ NfR 2023: 07 | Supply chain > Sustainable supply chain management
GRI 407: Freedom of Association and Collective Bargaining	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	↗ NfR 2023: 02 | Talent > Compliance with international labor and human rights
	↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
	↗ NfR 2023: 07 | Supply chain > Sustainable supply chain management
	↗ NfR 2023: 07 | Supply chain > Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)

Topic: Child Labor	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 02 | Talent > Compliance with international labor and human rights
	↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
	↗ NfR 2023: 07 | Supply chain > Sustainable supply chain management
GRI 408: Child Labor	
408-1 Operations and suppliers at significant risk for incidents of child labor	→ 07 | Supply chain > ESG supplier risk management process
	↗ NfR 2023: 02 | Talent > Compliance with international labor and human rights
	↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
	↗ NfR 2023: 07 | Supply chain > Sustainable supply chain management
	↗ NfR 2023: 07 | Supply chain > Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)
Topic: Forced or Compulsory Labor	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 02 | Talent > Compliance with international labor and human rights
	↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
	↗ NfR 2023: 07 | Supply chain > Sustainable supply chain management
GRI 409: Forced or Compulsory Labor	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	→ 07 | Supply chain > ESG supplier risk management process
	↗ NfR 2023: 02 | Talent> Compliance with international labor and human rights
	↗ NfR 2023: 02 | Talent > Extensive international KION Group employment standards
	↗ NfR 2023: 07 | Supply chain > Sustainable supply chain management
	↗ NfR 2023: 07 | Supply chain > Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)

Topic: Supplier Social Assessment	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 07 | Supply chain > Sustainable supply chain management
GRI 414: Supplier Social Assessment	
414-1 New suppliers that were screened using social criteria	→ 07 | Supply chain > ESG supplier risk management process
	→ 07 | Supply chain > Supplier diversity program
	↗ NfR 2023: 07 | Supply chain > Sustainable supply chain management
Topic: Customer Health and Safety	
GRI 3-3: Management of material topics	
	↗ NfR 2023: 03 | Product and solution safety
GRI 416: Customer Health and Safety	
416-1 Assessment of the health and safety impacts of product and service categories	→ 03 | Product and solution safety > Product and solution safety in the ITS segment
	→ 03 | Product and solution safety > Product and solution safety in the SCS segment
	→ 03 | Product and solution safety > Ergonomics as a development goal
	↗ NfR 2023: 03 | Product and solution safety > Improving customer safety
	↗ NfR 2023: 03 | Product and solution safety > Ergonomics as a development goal
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	→ 03 | Product and solution safety

SASB content index

Index SASB Accounting Standard Industrial Machinery & Goods (Version 2018-10)

Sustainability Disclosure Topics	Accounting Metrics	References and Comments
Energy Management	Total energy consumed	→ 05 | Climate and energy > Progress in 2023 across Scope 1, 2 and 3 ↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management (Energy use)
	Percentage grid electricity	→ 05 | Climate and energy > Progress in 2023 across Scope 1, 2 and 3 ↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management (Energy use)
	Percentage renewable	→ 05 | Climate and energy > Progress in 2023 across Scope 1, 2 and 3 ↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management (Energy use)
Employee Health & Safety	Total recordable incident rate (TRIR)	↗ NfR 2023: 01 | Occupational health and safety > Comprehensive management approach ↗ NfR 2023: 01 | Occupational health and safety > Establishing a permanent health and safety culture The KION Group reports the Lost Time Injury Frequency Rate (LTIFR)[1]
	Fatality rate	→ 01 | Occupational health and safety > Comprehensive OHS management ↗ NfR 2023: 01 | Occupational health and safety > Comprehensive management approach ↗ NfR 2023: 01 | Occupational health and safety > Establishing a permanent health and safety culture Number of fatalities: 0 (2022: 0) Fatality rate[2]: 0 (2022: 0)
	Near miss frequency rate (NMFR)[2]	14.2 (2022: 9.2)
Fuel Economy & Emissions in Use-phase	Sales-weighted fuel efficiency for non-road equipment[3]	Diesel: 3.9 l/h, LPG: 3.4 kg/h, CNG: 3.4 m^3/h
	Sales-weighted emissions of nitrogen oxides (NOx) for non-road diesel engines[4]	♦
	Sales-weighted emissions particulate matter (PM) for non-road diesel engines	♦
Materials Sourcing	Description of the management of risks associated with the use of critical materials	→ 07 | Supply chain > Conflict minerals and conflict areas ↗ NfR 2023: 07 | Supply Chain: Conflict minerals and conflict areas
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	€329 m

1 Calculation is based on the actual number of lost time injuries (work related accident resulting in the loss of one full working day or more) and the total number of actual working hours in the reporting period relative to one million hours worked.

2 Fatalities of active employees in relation to 200,000 actual hours worked.

3 Refers to worldwide order intake of respective diesel, LPG or CNG engine based products in ITS segment. This covers all parts of KION Group's product portfolio that are relevant for the SASB indicator.

4 Known near misses in relation to 200,000 actual hours worked.

♦ Not yet reported. The KION Group is currently working on providing the data quality and availability necessary for reporting.

TCFD content index

TCFD Core elements	Required information	References
Governance		
Disclosure of the organization's governance around climate-related risks and opportunities	A. Executive Board's oversight of climate-related risks and opportunities	→ 05 | Climate and energy > Active management of climate and energy aspects → 08 | Sustainable governance > Sustainability organization ↗ NfR 2023: 08 | Sustainable governance > Sustainability organization ↗ CDP Climate Change 2023: C1.1a, C1.1b
	B. Management's role in assessing and managing climate-related risks and opportunities	→ 08 | Sustainable governance > Sustainability organization → 08 | Sustainable governance > Governance of sustainability action fields ↗ NfR 2023: 08 | Sustainable governance > Sustainability organization ↗ CDP Climate Change 2023: C1.2
Strategy		
Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	A. Description of climate-related opportunities and risks	→ 05 | Climate and energy > Active management of climate and energy aspects ↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management ↗ Annual report 2023: Risk report ↗ Annual report 2023: Opportunity report ↗ CDP Climate Change 2023: C2.2a ↗ CDP Climate Change 2023: C2.4, C2.4a
	B. Impact of climate-related risks on the organization's businesses, strategy, and financial planning	→ Annex > Further disclosure on materiality analysis ↗ CDP Climate Change 2023: C2.1b ↗ CDP Climate Change 2023: C2.3, C2.3b ↗ CDP Climate Change 2023: C2.4a
	C. Resilience of the organizational strategy	↗ CDP Climate Change 2023: C3.1 ↗ CDP Climate Change 2023: C3.2, C3.2a, C3.2b
Risk management		
Disclosure of how the organization identifies, assesses, and manages climate-related risks	A. Organization's processes for identifying and assessing climate-related risks	↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management ↗ CDP Climate Change 2023: C2.1, C2.1a ↗ CDP Climate Change 2023: C2.2, C2.2a

TCFD Core elements	Required information	References
	B. Organization's processes for managing climate-related risks	↗ CDP Climate Change 2023: C2.2
	C. Integration of processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	→ 05 | Climate and energy > Active management of climate and energy aspects ↗ Annual report 2023: Combined management report (p. 62) ↗ Annual report 2023: Risk report ↗ CDP Climate Change 2023: C2.2

Metrics and targets		
Disclosure the metrics and targets used to assess and manage relevant climate-related risks and opportunities	A. Metrics used by the organization to assess climate-related risks and opportunities	→ 05 | Climate and energy > Progress in 2023 across Scope 1, 2 and 3 (Energy use, Energy use by source, Scope 1 and 2 GHG emissions in 2023, Greenhouse gas emissions - Scope 1 and 2 by source, Scope 3 GHG emissions in 2023) → 05 | Climate and energy > (Local) environmental protection and biodiversity (Water withdrawal, Waste water, Waste, Other significant air emissions (direct)) ↗ NfR 2023: Strategy status overview ↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management (Energy use, Greenhouse gas emissions - Scope 1 and 2, Total greenhouse gas emissions) ↗ NfR 2023: 05 | Climate and energy > (Local) environmental protection and biodiversity (Water withdrawal, Waste water, Waste) ↗ CDP Climate Change 2023: C4.1, C4.2, C9.1
	B. Disclosure of Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions	→ 05 | Climate and energy > Progress in 2023 across Scope 1, 2 and 3 (Scope 1 and 2 GHG emissions 2023, Greenhouse gas emissions - Scope 1 and 2 by source, Scope 3 GHG emissions 2023, Total greenhouse gas emissions) ↗ NfR 2023: Strategy status overview ↗ NfR 2023: 05 | Climate and energy > Comprehensive climate management (Energy use, Greenhouse gas emissions - Scope 1 and 2, Total greenhouse gas emissions) ↗ NfR 2023: 05 | Climate and energy > (Local) environmental protection and biodiversity (Water withdrawal, Waste water, Waste) ↗ CDP Climate Change 2023: C6.1, C6.3, C6.5
	C. Targets used by the organization to manage climate-related risks and opportunities	→ Sustainability management > Sustainability strategy (Sustainability strategy status) → 05 | Climate and energy > Climate target: net-zero along the entire value chain by 2050 at the latest ↗ NfR 2023: Strategy status overview ↗ NfR 2023: 05 | Climate and energy > Targets and levers ↗ CDP Climate Change 2023: C4.1, C4.1a, C4.2, C4.2c

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