KION GROUP

2023

We keep the world moving.

€11.4 bn.
Revenue

42,325
Employees

14.9 m. t
CO_2e GHG emissions Scope 1, 2, 3

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

Foreword to the non-financial report 2023

Dear Ladies and Gentlemen,

At the KION Group, sustainability has become a strong driver of our business. We know that our business can only be successful if we act and think sustainably. Sustainability affects every one of our employees around the world, our entire product portfolio and our processes. It means that we base our actions on ecological, economic and social aspects. This is the way to understand our customers' needs better than anyone else and to offer them safe, efficient and innovative logistics solutions tailored to their requirements. Our goal is clear: we want to play a pioneering role in the sustainable development in intralogistics. This can only be achieved together with our customers, employees, investors, business partners and society.

With sustainability as a central part of our KION 2027 strategy the KION Group focuses on people, planet and profitability with eight sustainability action fields that define the framework for our sustainability ambitions.

To firmly anchor sustainability in the KION Group and give it the importance it deserves, we have established the position of Chief People & Sustainability Officer (CPSO). In May 2023, we were pleased to welcome Valeria Gargiulo to this newly created role on the Executive Board of the KION GROUP AG. Valeria now heads up Human Resources as well as Central Sustainability & Health, Safety and Environment, and is driving the Group's sustainability strategy forward.

When it comes to climate action the global material handling industry has tremendous potential for climate protection, and as a leading global company, the KION Group has a special responsibility. In July 2023, the KION Group committed to net-zero and to the Science Based Targets initiative (SBTi) adopting a methodological framework towards the goal of the Paris Agreement on climate change, which aims to limit global temperature rise to 1.5 degrees Celsius. Through the SBTi, the KION Group establishes the long-term climate target of achieving net-zero greenhouse gas emissions along its value chain (Scope 1, 2, and 3) by no later than 2050, as well as corresponding near-term targets by 2030. With our commitment to the SBTi, the KION Group is taking the next step in a transparent and clear path to reduce worldwide greenhouse gas emissions.

Circular economy is another key lever for achieving the goals of the KION Group and its customers. It forms the basis for a sustainable product and solution portfolio as well as for responsible and stable supply chains. In this field, we succeeded in closing the recycling loop for lithium-ion batteries through a strategic partnership with Li-Cycle Holding Corp. In September 2023, the KION Group began recycling lithium-ion batteries that have reached the end of their lifecycle. The aim is to have a total of up to 5,000 tons of used battery cells professionally processed by 2030. This tonnage is equivalent to around 15,000 large lithium-ion batteries of the kind used in forklift trucks. In this way, the KION Group ensures almost complete recovery of valuable materials which can then be used for production of new batteries.

Regarding alternative powertrain solutions, the KION Group is able to meet the increasing demand of our customers for a virtually emission-free solution that can also be refueled quickly. In 2023, the KION Group has concluded the development of an own 24-volt fuel cell system for warehouse trucks and entered into inhouse production as foundation of a fuel cell driven product portfolio. We also started the own production of hydrogen in our factory in Aschaffenburg for our own fleet, based on renewable energy.

These and other sustainability efforts are being recognized by our stakeholders. Among several other relevant ratings for the KION Group, the leading index provider MSCI raised the Group's ESG rating to AAA, placing us in the top 10 percent of the industry following MSCI rankings.

We would like to conclude with a few remarks about the new format of our sustainability publications. In preparation for future requirements we started to restructure our sustainability reporting that has been in place since 2016. This concentrated non-financial report focuses on the current legal requirements. For those of you that are interested in extended sustainability reporting, we would like to draw your attention to our new Sustainability Insights which will become available in the course of this year. This publication goes beyond regulatory requirements and provides further details on our activities. With this approach, we provide further facts and figures to professional stakeholders such as customers, rating agencies as well as public interest groups and last but not least to our KION Group employees.

Best wishes,

Rob Smith

Chief Executive Officer

Valeria Gargiulo

Chief People & Sustainability Officer

KION GROUP

2023

Non-financial report

Selected figures

Sustainability-relevant key figures[1]

	2023	2022	2021	Change 2023/2022
Company profile				
Revenue[2, *]	€11,433.7 million	€11,135.6 million	€10,294.3 million	+2.7 %
Net income[2, *]	€314.4 million	€105.8 million	€568.0 million	> 100 %
Products and solutions				
Research and development expenditure[2, *]	€351.0 million	€321.3 million	€273.0 million	+9.2 %
Patent applications and patents granted*	2,937	2,843	2,804	+3.3 %
of which new applications in the reporting year*	89	94	81	–5.3 %
Share of electric-powered vehicles sold (ITS segment)	91.1 %	88.1 %	87.0 %	
Share of used industrial trucks sold (ITS segment)[3]	19.3 %	15.2 %	15.1 %	
Environment				
ISO 14001 certification rate[4]	90 %	81 %	72 %	
Energy use	2,296,953 GJ	2,246,257 GJ	2,290,522 GJ	+2.3 %
Greenhouse gas emissions (Scope 1+2)[5]	146 kt CO_2e	143 kt CO_2e	149 kt CO_2e	+2.1 %
Greenhouse gas emissions (Scope 3)[5]	14,794 kt CO_2e	18,096 kt CO_2e	20,117 kt CO_2e	–18.2 %
Water consumption	596 million liters	553 million liters	584 million liters	+7.8 %
Waste produced	75,617 t	101,287 t	76,126 t	–25.3 %
Employees				
Number of employees[6, *]	42,325	41,149	39,602	+2.9 %
Personnel expenses*	€3,169.6 million	€2,848.7 million	€2,612.0 million	+11.3 %
Percentage of female employees*	18.2 %	17.8 %	17.1 %	
Number of apprentices[6, *]	786	799	713	–1.6 %
ISO 45001 certification rate[4]	89 %	80 %	70 %	
Lost time injury frequency rate[7]	5.2	5.9	7.7	

* This data point is derived from the annual report 2023 of the KION GROUP AG. Therefore it was not subject to the audit scope of this report.

1 Preparation of a non-financial group report in accordance with sections 315b and 315c in conjunction with 289c to 289e of the German Commercial Code (German implementation of the EU Directive on non-financial reporting, CSR-RUG) as well as in reference to GRI Standards of the Global Reporting Initiative (GRI). 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 For further information, please refer to the 2023 annual report, including the consolidated financial statements (consolidated income statement) and management report (research and development).

3 2022 and 2021 values recalculated retrospectively after refinement of definition of used trucks sold and exclusion of on-balance leasing/rental business.

4 Or equivalent standard, based on all sites.

5 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 %.

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

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

Strategy status overview

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 %** per year (linear) **Scope 3** by **2.5 %** per year (linear) Long-term [before 2050]: **net-zero, Scope 1, 2, 3** by **100 %**	 –2.2 % –26.5 % 14.9 million tons	 –4.2 % –10.0 % 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 %
	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] **100 %** of **direct** suppliers, [2025]	 73 % of high-risk suppliers covered 70 % of direct suppliers covered	 65 % of high-risk suppliers are covered ♦

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

Processes	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.

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Introduction

Company profile

We keep the world moving*

The KION Group, including the KION GROUP AG, Frankfurt am Main and its consolidated subsidiaries (together the "KION Group" or the "Group"), is among the world's leading suppliers of industrial trucks and supply chain solutions. The Group's range of services includes both industrial trucks, such as forklift trucks and warehouse technology equipment, as well as automation technology and software solutions for supply chain optimization, including all related services. Across over 100 countries, the KION Group's logistics solutions improve material handling processes and the flow of information at factories, warehouses and distribution centers. With approximately 42,000 employees, the Group is the largest manufacturer of industrial trucks in Europe in terms of units sold in 2022. In China, it is the leading foreign manufacturer (as measured by revenue in 2022). With more than 1.8 million industrial trucks worldwide as of December 31, 2023, the KION Group counts companies of various sizes in numerous industries on six continents among its customers.

We are moved by sustainability

The KION Group aspires to understand the needs of its customers like no other company anywhere in the world and to impress them with customized material handling solutions. Sustainable business practices are the logical consequence of this aspiration. By aligning its actions with environmental, social and economic aspects, the KION Group also supports its customers in implementing their sustainability programs, thereby striving to meet a key prerequisite for their own success. This makes sustainability a task for all employees in the Group. They are encouraged to contribute through innovations, ideas and consistent action to ensure the KION Group also fulfils its claim to be a sustainability leader. With a clear sustainability strategy, ambitious objectives and effective measures, the KION Group believes it is on the right track. This report sets out its approach.

Business model and organization

In the 2023 financial year, the KION Group operated in several markets via its four Operating Units (OUs) KION ITS EMEA, KION ITS Americas, KION ITS APAC and KION SCS. While the OUs bear full operational and economic responsibility in their markets, KION GROUP AG is responsible for the groupwide strategy and central business standards. The internal management of the Group is handled by the two segments Industrial Trucks & Services (ITS) and Supply Chain Solutions (SCS). The Corporate Services segment comprises the other activities and holding functions of the KION Group. For a detailed illustration of the KION Group's organizational structure, its business model and its key markets, see the section 'Fundamentals of the KION Group' of the combined Management Report, which is part of the 2023 annual report published at www.kiongroup.com/ir/presentations. It provides a detailed description of the Group's economic position and is complemented by the quarterly reporting and further relevant information.

* The contents of this section are derived from the 2023 annual report. Therefore they were not subject to the audit scope of this report.

Sustainability management

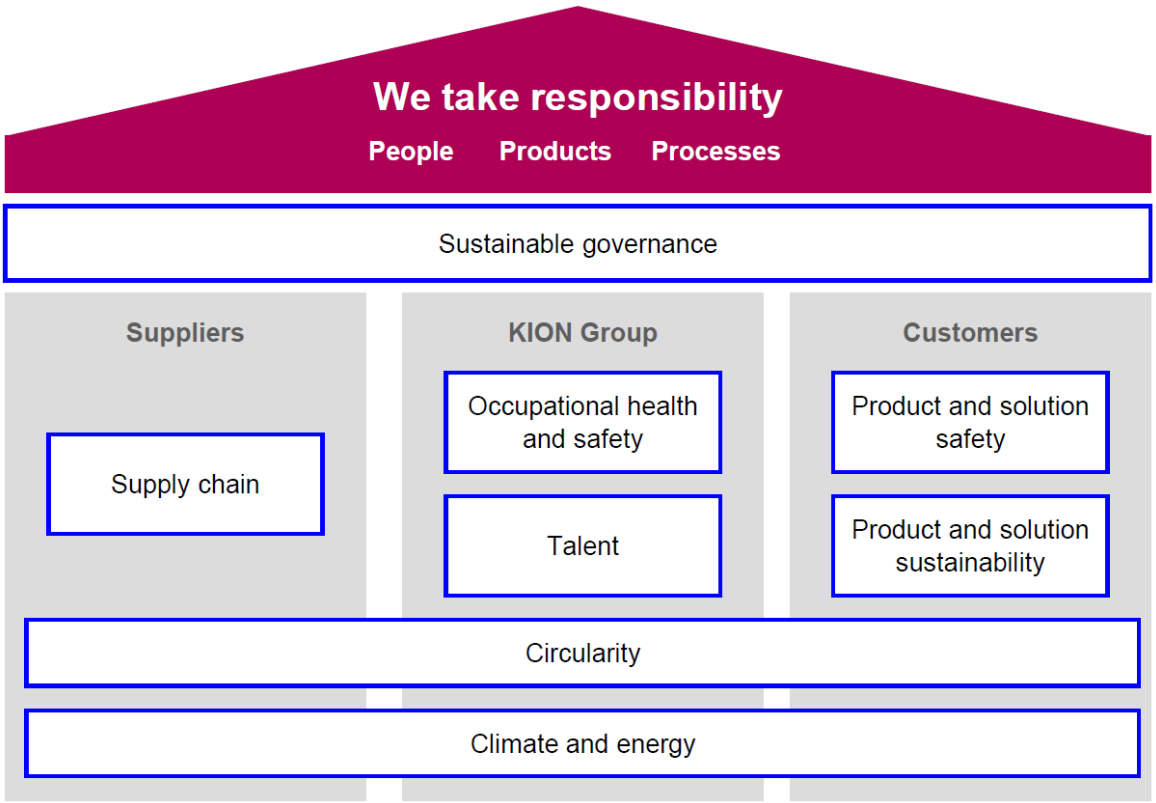
Sustainability strategy, action fields and targets

The KION Group endeavors to lead the way in sustainable development in the material handling industry. For many years, the KION Group has been continually integrating sustainability criteria along the value chain: from design and the supply chain to KION Group's own operations and the product lifecycle. When it comes to sustainability, the KION Group aspires to understand its customers' needs like no other company in the world and to provide appropriate solutions. In 2023, 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, which in turn helps to reduce the carbon footprint of customers. Each and every employee and stakeholder, including Executive and Supervisory Board members, has a shared responsibility to implement sustainable business practices and to bring about the sustainable transformation of the KION Group. With this understanding, the KION Group strives to act as a sustainable partner on all levels.

The KION 2027 strategy follows the overall objective of profitable growth and comprises six fields of action: Multi-branded go-to-market, region-specific growth plans, automation & software, performance & agility, values, people & leadership, and sustainability (see the section 'Strategy of the KION Group' in the 2023 annual report published at www.kiongroup.com/ir/presentations). 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.

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. The People dimension focuses on the social aspects of sustainability with the action fields 01 | Occupational health and safety (OHS) and 02 | Talent. The KION Group aims to attract, retain, and develop talented employees while valuing diversity, and maintains its commitment to assuming responsibility for OHS in the material handling industry. The Products dimension strives for innovation and the creation of high-performing products, solutions, and services that are efficient to use and support the sustainability journey of customers. It includes the action fields 03 | Product and solution safety and 04 | Product and solution sustainability. The Processes dimension focuses on the transformation of the KION Group toward sustainable social and environmental business processes by aiming to achieve net-zero GHG emissions along the value chain by no later than 2050, focusing on circularity, and helping our suppliers to comply with relevant standards. Specifically, it consists of the action fields 05 | Climate and energy, 06 | Circularity, 07 | Supply chain and 08 | Sustainable governance. This Non-financial report is structured in accordance with these sustainability action fields, each of which is presented in an individual chapter.

The eight action fields of KION Group sustainability management



The KION Group pursues a systematic groupwide approach for the operational implementation of its sustainability strategy and the underlying program. Each action field is underpinned by a specific program with objectives, measures and monitoring (quantitative where appropriate) that is derived from the sustainability strategy and materiality analyses. For each action field, key levers, relevant indicators, and a general ambition level are defined. In the course of the reporting year, individual targets were revised and broken down further and relevant measures were continued, while additional actions were identified and implemented. This included alignment with external requirements as well as coordination between action fields, internal stakeholders at KION Group level and within the OUs. Progress made at KION Group level and in the OUs is reviewed regularly and reported to steering committees, the newly formed Sustainability Council as well as the Executive Board and the Supervisory Board of KION GROUP AG.

An overview of the strategic targets, indicators, and progress achieved is available for each sustainability action field in the strategy status overview at the beginning of this report (Sustainability strategy status).

Groupwide materiality analysis

The KION Group regularly reevaluates, revises, and adapts its sustainability approach on the basis of groupwide materiality analyses. The first KION Group materiality analysis dates back to 2016. In 2018, the materiality assessment was expanded to cover the entire KION Group. An update of this materiality analysis was then carried out in 2022 in order to ensure the current relevance of the aspects previously identified as material. In light of the upcoming Corporate Sustainability Reporting Directive (CSRD) requirements, the next revision of the materiality assessment is planned for 2024.

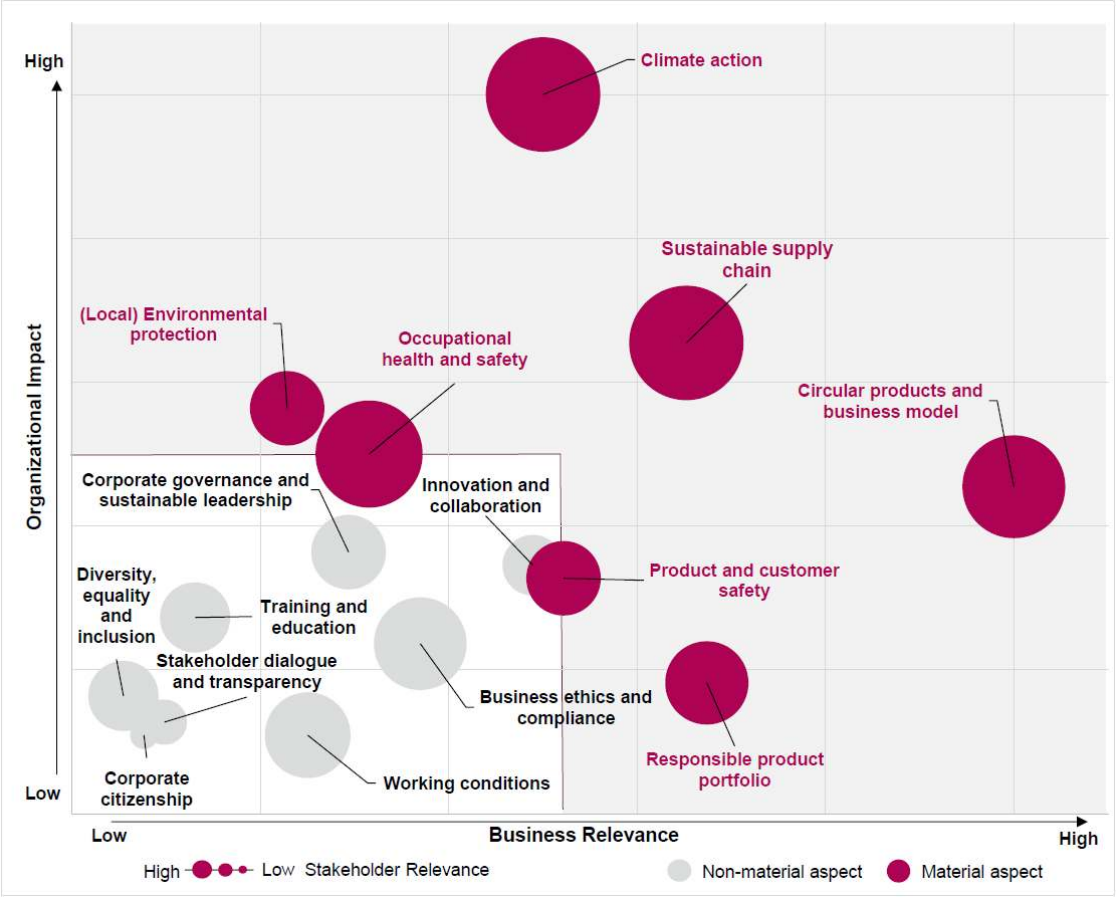
The current materiality analysis methodology was designed with the support of an external partner.The analysis is based on the principle of double materiality as defined by the Global Reporting Initiative (GRI) and, therefore, considers opportunities, risks, and impacts (positive and negative) from both an internal and an external perspective. This approach was complemented by additional considerations regarding the perceived relevance for such internal and external stakeholders. These three perspectives are represented in the materiality matrix (Results of the KION Group materiality analysis 2022). Business relevance (outside-in, opportunities and risks for KION Group's business development) is shown on the horizontal axis, while organizational impact (inside-out, environmental and social impact of KION Group's business activities) is on the vertical axis. Finally, stakeholder relevance is represented as bubble size.

The KION Group's latest materiality analysis update started with a revision of the existing potentially relevant aspects, taking into account international frameworks such as the United Nation's Sustainable Development Goals as well as regulatory requirements and the KION Group corporate values. These aspects were then compared against a sustainability benchmark of peers and competitors. The KION Group also outlined its definition of the aspects and their corresponding sub-aspects in order to have a shared understanding (Table 26, 2022 Sustainability Report).

The KION Group carried out a survey involving the most relevant internal and external stakeholder groups such as employees, customers, and suppliers (at KION Group level and in the OUs). They were asked to rank the aspects on the basis of each of the aforementioned three perspectives. The survey respondents also elaborated qualitatively on the most relevant opportunities, risks and positive and negative impacts (both for the inside-out and the outside-in perspective).

The quantitative and qualitative survey results were then analyzed, leading to a preliminary materiality matrix. This provided the basis for further discussion and evaluation at a workshop event with expert groups such as the predecessor of the Sustainability Council formed in 2023 (Sustainability Steering Committee including Sustainability and Health, Safety, and Environment (HSE) OU coordinators, action field leads, relevant central functions and central sustainability management). As a result, seven focus areas (material aspects) were identified in the final materiality matrix (Results of the KION Group materiality analysis 2022), which was then approved by the Executive Board and Supervisory Board of KION GROUP AG.

Results of the KION Group materiality analysis 2022



Of the seven material aspects, three are distinctly positioned in the top-right quadrant of the materiality matrix: climate action, sustainable supply chain, and circular products and business model. In these aspects, the KION Group's activities have significant social and environmental impact and present risks and important opportunities, thus making a major contribution to the KION Group's long-term value creation. A description of external impacts, stakeholder relevance and dedicated business cases related to these three aspects can be found in the Sustainability Insights, published at www.kiongroup.com/sustainability.

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Comprehensive management approach
Establishing a permanent health and safety culture
Dedicated rules, groupwide certification, and a proactive approach
Employee engagement through communication and training

02 | Talent 15

Focus on employee development
Employee feedback
Broad spectrum of skills and cultures
Diversity as a strength
Wages and salaries in line with the market
Compliance with international labor and human rights
Extensive international KION Group employment standards
Co-determination by employees

01 | Occupational health and safety

Comprehensive management approach

Occupational health and safety (OHS) is a top priority for the KION Group. The KION Group aims to be an industry leader when it comes to OHS. As a responsible employer, the Group strives for a behavior-based safety culture that minimizes hazards, workplace-related injuries, occupational illnesses, and serious incidents while also protecting the physical and mental health of its employees.

In this respect, the KION Group Health, Safety and Environment (HSE) Statement of Intent, which is derived from the KGCC, provides general guidance for HSE activities across the KION Group. Following this policy, the KION Group established a comprehensive HSE system that covers various aspects of occupational health, safety, and environmental protection across the entire workforce. It also recognizes industry standards such as the ISO 14001 and ISO 45001 standards and the International Labour Organization (ILO) guidelines.

Within the OHS action field, the KION Group identified three dimensions and the key levers for each dimension. In the first dimension, employees and leadership, the KION Group encourages all employees to take responsibility for themselves and for others. In this context, personal involvement and commitment are a key factor in implementing and improving HSE initiatives in the workplace. In the second dimension, work environment, the KION Group focuses on maintaining healthy and safe working conditions. This entails providing safe workplaces, both at the KION Group's premises and at customer sites. In the third dimension, organization, the KION Group aims to establish overarching foundations for a robust OHS management system and governance.

In order to drive progress and improvement in these dimensions, strategic performance indicators were also defined (Sustainability strategy status). The first long-term strategic target is to reduce accident frequency by five percent every year, with the ultimate goal of eliminating occupational accidents in the workplace. The second strategic target aims to support implementation at individual sites. In this respect, all sites will need to have occupational health and safety management systems that have been certified externally in accordance with ISO 45001 by 2024.

Establishing a permanent health and safety culture

In the reporting year, the KION Group continued to implement initiatives that ensure a safe working environment. The central HSE department initiatives included revising the KION Group HSE standard, establishing the groupwide HSE assessment, conducting corporate on-site audits, and developing a dashboard to monitor OHS performance. In addition, engagement and communication on the topic were promoted through the introduction of a KION Group Board OHS award and a new HSE social intranet page. Initiatives were also carried out within the individual Operating Units (OUs) (aimed at behavior-based safety, communication, and the definition of improvement plans) and at local level. Regular sharing of best practice and increased communication among the HSE community may also contribute to the continued reduction of the lost time injury frequency rate (LTIFR) to 5.2 (Sustainability strategy status).

General requirements for risk assessments are covered in the KION Group HSE standard. With respect to routine tasks, trained individuals at local entities identify and assess work-related hazards, with the support of the local HSE department when needed. Non-routine tasks are assessed using last-minute risk assessment techniques on the spot or a permit-to-work process.

The most common hazards contributing to serious injuries are mechanical hazards (e.g. rotating parts, sharp edges, or injuries due to falling or moving objects). Local entities have to utilize accident prevention plans that address topics such as hand and finger injury prevention, forklift truck safety, and working at heights. There are several ways in which employees can report work-related hazards and hazardous situations. Some examples include near miss reporting, safety walks, behavior-based safety observations, and safety committee meetings with local HSE representatives.

Every occupational safety accident must be precisely recorded, documented, and investigated. Accordingly, incident investigation procedures are in place at KION Group subsidiaries. These cover root cause analysis and corrective action tracking (through local HSE reporting platforms). The central HSE department supports local serious injury investigations, including fatalities, which are investigated directly.

The results of incident investigation are used to update the KION Group's risk analysis, targets, and audit programs. These developments are summarized in an annual locally arranged management review on occupational health and safety.

In 2023, the KION Group continued with a wide range of preventive occupational health initiatives. 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.

Lost Time Injuries, fatalities and lost days (active employees)

	2023	2022	Change
Lost Time Injuries (LTIs)[1]	382	423	–9.7 %
Fatalities	0	0	–
Lost days due to Lost Time Injuries	8,561	8,574	–0.2 %

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

Dedicated rules, groupwide certification, and a proactive approach

The KION HSE standard is a groupwide standard for occupational health, safety, and environmental aspects. It is derived from the KION Group HSE Statement of Intent and has been in place in the KION Group since 2018. It applies to all KION Group entities and covers health, safety, and environmental management, emergency planning, HSE management control systems, accident management and measurement, occupational health, workplace management, and environmental protection. The standard strives to comply with all national HSE legislation, codes of practice, and industry standards, while also considering the standards required by ISO 14001 (Environment), ISO 45001 (Health and Safety), and other relevant regulations and certifications.

The KION HSE standard was reviewed and updated in 2023. The standard is regularly updated to reflect organizational changes within the KION Group, HSE technical updates, legislation changes, new technology, and lessons learned.

The rules set out in the standard also apply to business trips, office work and, in particular, areas with higher risk potential such as the foundry, plant assembly, and paint shop, but also to activities

during certain customer assignments. The safety standards and the related audits apply to all KION Group employees, business partners, suppliers, and guests. Suppliers working at sites under a contract (on-site management) are also covered by the KION Group's serious incident reporting and are instructed accordingly.

The KION Group's OUs and legal entities are responsible and accountable for the practical implementation of the standard and thus for ensuring the wellbeing and safety of all employees and any other individuals affected.

In addition to external, corporate, and local auditing, the groupwide HSE assessment provides insights into local compliance with the HSE standard. It enables the KION Group to check the degree of HSE maturity at the various sites.

The KION Group continues to pursue the goal of preventing potential incidents before they occur. To this end, the KION Group trains employees on an ongoing basis to raise awareness of potential hazards and to inform them about potential risks. As part of the KION Group's health and safety culture, employees have a duty to immediately inform the OHS department, their supervisors, and any potentially affected colleagues about work-related risks. The KION Group's whistleblowing system can also be used to report such risks.

Employee engagement through communication and training

Involving employees in the development, implementation, and performance evaluation of the OHS management system is essential for its effectiveness and success. Employees are therefore involved in many aspects of the OHS management system. These include risk assessment, safety audits and inspections, incident reporting and investigation, and local recognition programs.

Information regarding occupational health and safety is also shared with employees in a variety of ways, including the KION Group social intranet (safety alerts), training courses (such as onboarding, job inductions, and toolbox talk), and meetings at which participants are encouraged to share a "safety moment" (brief safety topic or example used to raise awareness). All KION Group subsidiaries are required to ensure OHS subjects are discussed at dedicated meetings on a regular basis (at least once a quarter). These encompass risk assessment findings and corrective actions, HSE audits and inspection results, accident rates, reduction pathways, and details of accidents and legislative changes.

With respect to training, the KION Group HSE standard requires local entities to provide HSE induction training for all new employees, temporary staff (including agency workers and employees on short-term contracts), and, where appropriate, contractors. The goal is to provide them with appropriate instructions on their first day of work, followed by annual safety training. In addition, the HSE standard requires the training of young workers, trainees, and apprentices to be undertaken and monitored by their line managers.

02 | Talent

The KION Group's human resources (HR) approach covers all aspects of the employee lifecycle: attract, grow, and excel. In 2023, the HR strategy was reviewed with the aim of 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 Hub
- Operational and Strategic Workforce Planning
- Global Mobility and Rotation Center

In line with business development, the KION Group's workforce has increased during the reporting year. In its ambition to be the employer of choice in the material handling industry, emphasis was put on continuously strengthening employee development and attracting talent. The KION Group is committed to creating an attractive working environment and to offering fair remuneration and numerous opportunities for personal and professional development.

Focus on employee development

The KION Group has established a standardized, comprehensive performance, talent and succession management process. To assess performance in a fair and understandable manner and to explore individual development needs, line managers conduct regular employee dialogues worldwide.

Employee development is a key topic in the KION Group and includes not only general qualification and development programs, but also individual talent management. The corporate programs which mainly focus on leadership skill development are managed by corporate HR to ensure a uniform quality standard and way of proceeding across the KION Group. For example, the KION Global Executive Program in cooperation with the business school INSEAD aims to strengthen shared global leadership capabilities and coaching skills to support performance improvement. Overall, 59 percent of all executives have already completed the program since 2017. Furthermore, with the KION Transition to Management Program (KTMP) selected employees who are considered by the KION Group to have high potential for leadership are systematically prepared for an executive position. Up to December 2023, 53% of the present employees and former participants have been promoted to an executive level. Participants of the 18-months global KION Management Trainee Program rotate through a total of four stations to get to know target functions, key interfaces and partners including an assignment at one of the KION Group's international locations. In 2023, the fourth group started, with 12 new trainees joining the KION Group. For apprentices training is offered in different occupations with periods of practical work experience in Group companies.

Further training and development programs are geared to the applicable regional and local needs in addition to the Workday learning platform which is used to roll out trainings of strategic importance globally. Personnel development measures are open to the entire workforce at every organizational level.

Employee feedback

The KION Group has conducted a global employee survey, KION Pulse, every year since 2021. It addresses topics such as internal communication and collaboration while also ascertaining personal

perspectives on the topics that affect employees. The survey's findings provide important information on how to further improve employee engagement and motivation.

The engagement score ranges from one point (weak) to 100 points (very good) and provides information on the attractiveness of the KION Group as an employer. The engagement score for the 2023 survey was stable at 74 points, the same as in the previous year. This score is set to improve further in order to achieve the target path. The participation rate of 80 percent exceeded this year's target, with a steady increase from 77 percent in 2022.

The KION Group has set itself the target of achieving an engagement score of 75 points or more, with a participation rate of at least 80 percent, in the 2026 survey (Sustainability strategy status).

Broad spectrum of skills and cultures

The KION Group promotes a culture of diversity, inclusion, equity, and psychological safety. The KION Group 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. These principles are set out in the KION Group's binding minimum employment standards and therefore apply worldwide at all KION Group sites.

The KION Group companies strive to create working environments that are accessible for people with disabilities. They also support reintegration into work processes and enable people with physical disabilities to remain in employment. Employees are recruited, employed, and promoted on the basis of their qualifications and skills for the position in question. This approach helps to avoid discrimination when making relevant decisions.

Diversity as a strength

For the KION Group, diversity does not just mean equal opportunities and equal and fair treatment for all employees but also encompasses the appreciation of various perspectives and ways of thinking. The KION Group attaches great importance to adhering to its values and to promoting constructive collaboration. At the end of 2023, people of more than 110 nationalities were employed across the KION Group bringing different skills and competencies to the company.

When staffing supra-regional projects and training programs, the KION Group makes a point of preferably having an international composition. Examples of such training programs are the finance talent management program, the women's mentoring program, and the KION Group management trainee program.

To set the right priorities and monitor the progress of diversity and inclusion activities, a Diversity and Inclusion Council (D&I Council) was established in the KION Group in 2022. In 2023, the D&I Council was strengthened by representatives from company-internal Networking and Employee Resource Groups. The purpose of these groups is to offer a supportive community for individuals who are often underrepresented in the organization. For the KION Group, they play a vital role in fostering a culture of diversity, inclusion, and psychological safety. One of the first activities of the D&I Council and highlight in 2023 was the implementation of the groupwide Diversity & Inclusion Awareness Month in June. The month was divided into four different focus topics and 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 accented.

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

Besides participating in this German initiative, the KION Group has already been involved in the German Initiative Chef:innensache (former 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.

Wages and salaries in line with the market

The KION Group pays performance- and market-related remuneration that is generally determined by locally relevant competitive markets. To a large extent, employment contracts are based on collective agreements with labor unions or other employee representatives and take the country-specific situation into account. Remuneration must at least meet the minimum legal standards in each country in which the KION Group operates.

Compliance with international labor and human rights

The KION Group is committed to complying with internationally agreed labor and human rights and regards them as a minimum standard to be achieved at all times.

The KION Group applies minimum employment standards that are based on the core labor standards set out in the eight fundamental labor conventions of the ILO. These standards guarantee employees freedom of association and the right to collective bargaining while prohibiting forced labor, compulsory labor, child labor, and discrimination in employment and occupation. The minimum employment standards also make reference to the United Nations Guiding Principles on Business and Human Rights. In 2023, the KION Group emphasized its commitment to protecting human rights by publishing a statement on its human rights strategy.

The KION Group's respect for human rights also applies with regard to the requirements of the Act on Corporate Due Dilligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG). In order to assess the risk for potential labor and human rights violations within the supply chain, the KION Group has established an annual assessment that is carried out via the IntegrityNext platform. This assessment is mandatory for those KION Group entities that provide goods or services to other KION Group entities and for those that purchase goods or services from external suppliers. It is also mandatory for selected suppliers (07 | Supply chain). If any risk is identified, the responsible members of the management team have to follow up and clarify it.

Extensive international KION Group employment standards

The KION Group has a direct presence in around 40 countries. Working conditions in each country vary considerably, as the legal, social, economic, and cultural standards differ greatly from region to region. Nevertheless, in view of its responsibility for the welfare of all employees, the KION Group is committed to applying uniform binding minimum standards across all countries. A KION Group policy documents these minimum employment standards and considers all KION Group employees and all companies in which KION GROUP AG directly or indirectly holds the majority of shares or

that are under the direct or indirect control of KION GROUP AG to be in scope. All employees, in particular members of management boards of KION Group companies and supervisors, must apply the mentioned principles in their actions and decisions within their sphere of responsibility. In addition, the local management boards and the management of the individual OUs are responsible for implementing and monitoring these minimum employment standards and for ensuring compliance with them. The KION Group policy does not restrict any standards that prescribe a higher level of protection.

The implementation and application of the minimum employment standards is regularly reviewed. In this context, the KION Group conducts an annual assessment, which is initiated on corporate level and covers all KION Group entities, to assess their compliance with the minimum employment standards. In addition, the assessment results serve to reveal areas that need improvement or special attention with the aim of eventually mitigating and/or eliminating the potential for human rights violations. On the other hand, the proper application of such standards is part of internal audits on-site. The selection of standards and procedures to be audited is based on a risk assessment process that is used to assess the overall risks for the KION Group.

Neither the KION Group's business model, business purpose, or structure nor the regions in which the KION Group operates indicate a structural risk of individual entities violating minimum employment standards. As in previous years, no violation of the KION Group's employment standards was reported in 2023 (Sustainability strategy status). This also applies to cases of discrimination. Here too, none of the reported incidents in the reporting year were substantial. Should a violation become known, it must be eliminated and sanctioned according to the legal instruments available locally. The KION Group's employees are encouraged to report any violations of the minimum employment standards. It is possible to do so anonymously via channels like the KION Group whistleblower hotline or directly to KION Group Corporate Compliance.

E-learning sessions on the minimum employment standards – that also cover anti-discrimination – have been developed and are now being implemented in order to make employees aware about labor and human rights and about respectful conduct in the workplace. As a first step, the e-learning course was launched for all managers and HR staff at Dematic in 2023. A revised version, which also considers LkSG aspects, is scheduled to be rolled out to the managers and HR functions of the entire KION Group in 2024.

Co-determination by employees

As of the end of 2023, collective agreements applied to approximately 27,000 employees of the KION Group, which equates to 63 percent of the total workforce. The involvement of the workforce within the framework of codetermination, as well as the formation of employee representative bodies at company and supra-company level, is carried out in accordance with the relevant national laws. With regard to cross-border issues, the European Works Council represents the interests of employees in the European Union.

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03 | Product and solution safety

The Product and solution safety action field focuses on providing user-oriented, safe, and ergonomic products and solutions to meet and drive industry standards.

By developing and enhancing safety features in its products, the KION Group strives to prevent accidents and damage to people, goods and environment. Due to their different products and business models, the ITS and SCS segments pursue different approaches to implementing this shared mission.

The responsible sales unit in each country has to ensure that all products comply with the laws and regulations in that country.

Improving customer safety

The KION Group attaches great importance to regular dialogue with its customers, especially on the subject of safety. These conversations take place during internal and external trade fairs as well as at customer training sessions, for example. The KION Group also provides consultation on safety assistance systems.

Many of the safety features in the ITS segment are already part of the vehicles' standard equipment while customers can decide to add further safety options based on their individual application assessment. As part of the continuous development of the action field Product and solution safety, the KION Group also adjusted the indicators for the ITS segment. To focus only on one indicator for safety features, the equipment rate with active safety features is no longer reported separately. The remaining indicator provides information on selected safety features (Sustainability strategy status), namely the average number of selected safety features per industrial truck. With 3.4 safety features per truck ordered, the indicator shows a slightly positive trend in 2023 (2022: 3.3).

The SCS segment has continued to perform safety risk assessments to make sure that the design of its solutions complies with international safety standards and requirements. Employee exposure to elevated sound levels poses a major challenge. A target of 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.

Ergonomics as a development goal

The KION Group strives to minimize the strain on operators by ensuring that its products are as ergonomic as possible. In the ITS segment, particular emphasis is placed on reducing the mechanical oscillations and vibrations to which forklift truck drivers and warehouse technology operators are exposed during their day-to-day work. In 2023, for instance, an electric steering system was introduced in a newly designed left armrest on Linde Material Handling 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 allows the risk of musculoskeletal loading within the upper limbs and neck to be calculated.

Commitment to safety standards

The KION Group is engaged in actively driving safety standards for its industry. Its safety specialists participate in various standardization groups and help to draft guidelines, for example, at the International Organization for Standardization (ISO) and the European Committee for Standardization (CEN).

The KION Group is also committed to complying with worldwide standards. In the ITS segment, compliance with national laws is referred to in every operating manual. In Europe, for instance, other laws and regulations apply besides the machinery directive and the specific requirements of ISO 3691, which regulates the safety requirements for forklift trucks. These laws and regulations include directives on electromagnetic compatibility and explosion protection, the EU Outdoor Noise Directive on noise protection, the EU Radio Equipment Directive, and German Road Traffic Licensing Regulations (StVZO).

In the SCS segment, Dematic is committed to manufacturing global products that comply with European CE standards and US UL certification. This means products meet very high safety standards, even where compliance with these standards is not explicitly required in a particular region. Australian products comply with C-Tick/RCM standards system.

04 | 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. 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.

Additionally, the action field includes the improvement of transparency and collaboration on standards and innovations. With respect to standards, the KION Group is participating in several standardization committees at the International Organization for Standardization (ISO) and the European Committee for Standardization (CEN).

Within this action field, the ITS and SCS segments share the common aim of designing products and solutions that are environmentally friendly and efficient with respect to energy, resources, and cost. This also includes selecting materials that are as environmentally friendly as possible and allowing easy reuse, repair, and refurbishment (06 | Circularity).

Given their different products and business models, the ITS and SCS segments pursue partly different approaches in implementing their common aim, which results in segment specific strategic indicators and targets (Sustainability strategy status). In the reporting year, the action field Product and solution sustainability was further developed, and the strategic focus refined. The revision of the strategy led to the replacement of two segment specific targets by new general ones that are suitable for both segments, ITS and SCS and better reflect the holistic strategic focus. In this context, the increase in the average charging efficiency of vehicles with electric drives remains relevant for the action field program on another level, for example by further driving lithium-ion technology and high-frequency chargers. The previous strategic target referring to the assessment of Dematic's product and solution portfolio is integrated in the two new indicators that are currently being developed: an increase in the number of products with available lifecycle assessments and an increase in the number of products with cradle to cradle certification.

In 2022 and particularly in 2023, further efforts were made to systematically improve the product creation process. In line with the KION Group's sustainability strategy, sustainability criteria were developed in coordination with various departments and integrated in the process, initially for the ITS segment. The criteria focus on energy efficiency in order to reduce greenhouse gas emissions during product use as well as the selection of materials by increasing the share of recyclable and recycled materials. This complex process resulted in insights that can be helpful during the rollout to the SCS segment. The project is set to be finished for both segments in 2024.

Functions such as product sustainability, research and development, purchasing, and quality are part of the Chief Technology Officer (CTO) organization. This also allows sustainability requirements for products to be taken into account much more effectively on a global scale. Further information on research and development in the KION Group can be found in the 2023 annual report published at www.kiongroup.com/ir/presentations. The groupwide CTO organization coordinates and pools product development projects. These are determined in conjunction with the Product Management teams in the OUs, taking the needs of their respective markets into consideration.

Transparency through life cycle assessments

The KION Group strives to make the environmental and social impact of its products and solutions fully transparent to internal and external stakeholders in all lifecycle phases, from design and production to the use phase and end of life.

In the ITS segment, representative products were analyzed across the entire product lifecycle and an assessment of the Linde Material Handling fleet was carried out. The methodology applied was examined by an accredited third-party (TÜV Rheinland). In terms of GHG emissions, energy and fuel consumption during the use phase proved to be a significant emission driver across all product groups. For this reason, the drives' energy efficiency is always a priority, both for combustion engine drives and in the further development of high-performance and efficient electric drive technologies.

According to the results of lifecycle assessments (LCAs) previously conducted, energy consumption during the use phase was also found to be a significant contributor to the emissions footprint of SCS products. Based on this insight, the KION Group is pursuing a strategy of promoting energy and process efficiency in the SCS segment.

The KION Group has gained considerable knowledge about LCAs but remains committed to continuous improvement in this area. 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 has also agreed on a roadmap that outlines which products will be analyzed in the coming years in a software-aided process. In the area of LCAs and cradle-to-cradle certification, the KION Group is in the process of fine-tuning useful indicators and corresponding mid-term targets.

Reduction of greenhouse gas emissions in products and solutions

The KION Group's products and solutions are an essential part of its customers' value chains and have a direct impact on their ability to meet their sustainability ambitions.

According to the LCA results in both segments, energy consumption during the use phase is a very significant contributor to the products' emissions footprint. For this reason, the KION Group aims to significantly reduce the scope 3 GHG emissions 3.11 use of sold products. The formal commitment

to net-zero and SBTi demonstrate this ambition. Further information on GHG emissions can be found in the 05 | Climate and energy chapter.

In the ITS segment, progress in the Product and solution sustainability action field is also tracked and measured through the share of electric-powered vehicles sold annually (Sustainability strategy status). The target value set for the year 2027 of 90 percent was already exceeded in 2023. Therefore, the target is currently under review. Even though the majority of customers in the ITS segment opted for electric drives in 2023 (91 percent; 2022: 88 percent), 9 percent decided in favor of an internal combustion (IC) truck. According to KION Group's knowledge, customers opt for IC trucks if, for example, the infrastructure is not suitable for battery charging facilities or heavy loads need to be handled on rough terrain. The KION Group strives to continuously improve its IC trucks in terms of efficiency and use of hydrotreated vegetable oil fuel (HVO) in order to offer customers a truck portfolio with the lowest possible fuel consumption and emissions.

Improving energy efficiency with lithium-ion batteries

In recent years, electric drives have been continually refined and electric trucks with lithium-ion batteries are now available in load capacity classes that were previously reserved for powerful diesel or gasoline engines. Energy-efficient lithium-ion batteries are available for the majority of the product portfolio at Linde Material Handling GmbH (including its brands and subsidiaries, Linde Material Handling) and STILL GmbH (including its brands and subsidiaries, STILL). Since 2023, they have also been available for selected series at the Baoli brand. This enables these KION Group brand companies to offer a wide range of logistic applications with lithium-ion technology.

Since 2020, KION Battery Systems GmbH has been producing lithium-ion batteries for industrial trucks. By having its own production facility, the KION Group has been able to expand its range of products equipped with this high-performance type of battery. Moreover, the KION Group refurbishes lithium-ion batteries from returned leased trucks. Batteries that have reached the end of their life are sent for recycling with strategic partners (06 | Circularity).

Focus on hydrogen and resource efficiency

Where requested by customers, KION ITS EMEA also provides ex-factory integration of fuel cells into its industrial trucks and offers a fuel cell-ready option. Hydrogen-based propulsion systems have the advantage of fast refueling over lithium-ion battery electric systems. When using hydrogen produced with renewable energies, the fleet operates emission-free and thus makes a major contribution to reducing GHG emissions.

In this context, the KION Group opened its first fuel cell system production facility in 2023. The production started with high-performance 24-volt fuel cell systems for warehouse trucks, but the KION Group is working on the development of a 48-volt fuel cell system. Also in 2023, the KION Group celebrated the opening of the first hydrogen dispenser at one of its manufacturing sites in Germany. The pilot project uses electricity from renewable energy sources and produces GHG emission-free hydrogen to fuel the truck fleet on site.

Innovation, optimization, and efficiency are key aspects that are driving the SCS segment's efforts to support customers' logistics sustainability goals. These translate into a focus on improving energy and process efficiency and reducing resource consumption. In line with its energy efficiency goals, the SCS segment is integrating high-efficiency motor drive technology into standard product lines.

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Data protection and information security

05 | Climate and energy

Climate action and climate change mitigation have been identified as material topics ever since the KION Group first started conducting materiality analyses. To achieve net-zero within the timeframe established by the scientific community and in international agreements (currently no later than 2050), the KION Group's climate and energy management takes the entire value chain into account and pursues a holistic decarbonization approach. Beyond the Company's own operations, 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.

Targets and levers

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 first science-based climate targets established in 2017/2018 were achieved in 2022, with a reduction of absolute energy-related GHG emissions (scopes 1, 2, and 3.3) by 30 percent compared to the level in 2017. In 2021, work to comprehensively revise the climate strategy started within the KION Group. New strategic targets that are fully aligned with the current net-zero criteria of the Science Based Targets initiative (SBTi) – a methodological framework for achieving the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius – were developed and adopted. The KION Group intends to significantly reduce GHG emissions within the value chain by 2030 compared to 2021 (near term) and to pursue a path to achieve net-zero before 2050 (long-term, scopes 1, 2, and 3) (Sustainability strategy status). The climate strategy 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 addressed where applicable and possible.

In July 2023, KION GROUP AG formally committed to net-zero and to the SBTi. Further details of the near-term reduction rates and the net-zero target are currently being defined together with a corresponding roadmap and a transition plan which are planned to be finalized by 2024. The KION Group is aiming for validation of the climate targets in 2024.

Besides the focus on the net-zero target framework introduced in 2021, further adaptations to the strategic targets in the Climate and energy action field were implemented in the reporting year (Sustainability strategy status). The target of CO_2 neutrality of products and solutions during the use phase was integrated into the overall net-zero target, representing a major category within the KION Group's scope 3 GHG emissions. 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 by SBTi.

During the reporting year, 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. In this context, the KION Group identified three main levers to drive its climate strategy: active climate performance management, the systematic integration of climate action into business decisions (for example by establishing an internal carbon price), and engagement and close collaboration with value chain partners.

Comprehensive climate management

The KION Group's measures to reduce emissions and the atmospheric concentration of greenhouse gases follow clear principles. The Group will constantly strive to cut absolute GHG emissions. In addition to reduction measures, it will endeavor to replace its energy sources and processes with lower-emission ones. Along with this technological, physical, and economic potential 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 for the offsetting of remaining GHG emissions in the value chain, their use has to be kept to a minimum within the applicable rules stipulated by SBTi.

With regard to scope 1 and 2 GHG emissions, the KION Group has initiated ongoing measures on the basis of local energy or environmental management systems, such as switching to energy-efficient engines, recovering waste heat in production, optimizing heating systems and building infrastructure, introducing LED technology, and optimizing transportation in sales and services. These measures are combined with central initiatives, for example converting company vehicle fleets to low carbon technologies, promoting the increased sourcing of energy from renewable sources, and using further options for the self-generation of energy based on renewables. Dedicated energy management systems (in accordance with ISO 50001 or an equivalent standard) ensure a systematic local approach in subsidiaries with high energy consumption.

With regard to scope 3, the KION Group determines relevant categories based on regularly updated GHG emissions materiality analyses. The latest full scope 3 screening was performed in 2023. Based on the results of the screening, the primary focus is on GHG emissions resulting from the use of products, as they make up the largest category. In this respect, customers are made aware of the importance of considering sustainability aspects when choosing solutions, operating them energy-efficiently and with energy from renewable sources. Purchased goods and services represent the second largest GHG emission category. As such, particular attention has to be paid to material-specific and supplier-specific GHG emissions in addition to scopes 1 and 2. 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.

The KION Group calculates and presents its GHG emissions on the basis of the internationally recognized rules of the Greenhouse Gas Protocol. Besides concrete climate action importance is also attached to continuous enhancement of database and methodology. For example, a more detailed data screening of all scope 3 categories and a reconsideration of materiality led to an inclusion of further scope 3 categories, retrospectively back to the base year 2021. A breakdown of the status and changes in GHG emissions and energy use, along with other relevant parameters, is provided in the following tables 'Energy use', 'Greenhouse gas emissions – Scope 1 and 2', and 'Total Greenhouse gas emissions'. Overall, the KION Group achieved a clear reduction in total GHG emissions compared to the previous year and the base year 2021. In scope 3, the largest categories decreased, for example due to an increase of the share of electric vehicles sold in the ITS segment. In scope 1 and 2 the GHG emissions increased compared to the previous year. Despite an increase in the use of energy from renewable sources the overall use of energy increased with a growth in activity. Compared to the base year 2021 scope 1 and 2 GHG emissions remain on a lower level but above the linear near-term reduction path. The aforementioned measures in the context of energy efficiency and climate action aim to address the required further decrease of scope 1 and 2 GHG emissions in the upcoming years.

In terms of risks in the context of climate change and climate action, the existing risk catalog which covers sustainability related risks was reviewed in the reporting year in order to further detail ESG related risks. The updated risk catalog will be integrated in the risk management in future. The KION Group is currently in the process of collecting and evaluating these ESG risks. In addition, 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. In 2023, interdisciplinary teams took a closer look at transitional climate risks and opportunities for the Group. Potential transitional climate risks were identified across six dimensions: Market, Technology, Current Regulation, Emerging Regulation, Legal and Reputation. Therefore, risks within KION Group's own operations and along the value chain were considered, encompassing short-term, medium-term, and long-term perspectives. In an ongoing process, business and financial impacts are being identified for each risk to assess their materiality for the Group, especially considering effects of from and on most important assets and products.

Regarding climate-related opportunities, the KION Group has identified potential in deploying new technologies, developing and expanding low-emission goods and services, and producing low-carbon products. These opportunities are consistently reviewed and enhanced.

The continuous assessment of climate risks, opportunities together with required financial resources, investments and return related to climate action is an integral part of an active climate performance management. At this stage, the KION Group does not report specific monetary values. Partially, determining factors are currently being defined, influencing factors are uncertain and due to the long-term horizon scenarios would require numerous assumptions to be described in detail.

Additional information and details on KION Group's climate management can be found in the CDP Climate Change questionnaire (available at www.cdp.net/en/responses) and in the TCFD index, which is part of the Sustainability Insights published at www.kiongroup.com/sustainability.

Energy use

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.

Greenhouse gas emissions – Scope 1 and 2

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.

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. Reported GHG emissions do not include GHG offsetting with certificates, removal or storage which would be reported separately.

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 and of their close links to climate action and circularity. The Climate and energy action field therefore also considers further matters relating to (local) environmental protection and biodiversity. The KGCC and its derivative policy, the KION Group HSE Statement of Intent, provide the framework for the activities in the action field. 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. The KION Group 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, etc. 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.

In general, potential local environmental impacts are managed primarily on a local basis by the Operating Units (OUs) and sites. 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. At the end of the reporting year, the ISO 14001 certification rate of KION Group locations could be increased to 90 percent (2022: 81 percent) (Sustainability strategy status).

In 2023, the KION Group also carried out an analysis of potential water stress and biodiversity risks for KION Group sites. The analysis took into account proximity to biodiversity-protected areas such as the Natura 2000 sites. One of the key findings was that the overall risk can be considered low, but further details for selected sites need to be evaluated. The evaluation of results and the definition of potential measures are in progress.

Several metrics are also in place to monitor environmental performance. These figures for water withdrawal and wastewater can be found in the following tables. Lastly, the KION Group intends to systematically reduce the amount of waste it generates (table 'Waste') and to increase the recovery of waste that cannot be avoided (06 | Circularity).

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

	2023			2022			Change
in t	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).

06 | Circularity

Aware of planetary limits, the KION Group has adopted a circularity approach aimed at maintaining the value of resources, materials, and products for as long as possible by returning all of them to the value chain at the end of their current use, while at the same time minimizing losses, the generation of waste, and the need for additional resources. For the KION Group, this means developing a comprehensive circularity strategy and an action roadmap that addresses three cascading levels of circularity, which are circular and closed loop material flows, sustainable products and solutions, and circular business models.

The KION Group aspires to take a responsible and modular approach to resource use along the entire product and solution lifecycle and the entire value chain while creating customer benefits and ensuring the Group's medium- and long-term success. In order to achieve this, several groupwide policies and due diligence processes address the topic of circularity. The KGCC explicitly demands the use of recyclable materials, eco-friendly manufacturing techniques, environmentally responsible technologies, the sustainable use of natural resources, and the management of waste in a way that minimizes the environmental impact. Additionally, the KION Group HSE Standard sets out clear expectations for all KION Group sites. Each site must have a program for waste management, reduce the consumption of virgin raw materials, work with suppliers to minimize the amount of packaging and materials, and establish procedures to recycle their waste. This aligns with the

overarching objective of preserving resources and extending the lifecycle of materials, thus reinforcing the Group's commitment to circularity. This objective is further defined in the Principles of Supplier Conduct, in which the KION Group asks its suppliers to use systematic recycling, to provide recyclable products, and to consider the goal of sustainable business including circularity within their value chain.

Circularity is an interdisciplinary action field. As one key lever, Circularity contributes to the goal of achieving net-zero greenhouse gas emissions along the value chain before 2050 and creates the basis for a sustainable portfolio of products and solutions and for responsible and stable supply chains (05 | Climate and energy, 04 | Product and solution sustainability, 07 | Supply chain). The interconnection with Product and solution sustainability, for instance, is shown in existing activities, such as the systematic integration of comprehensive expertise from lifecycle assessments into the research and development of products, solutions, and services in both segments.

The KION Group has identified four areas in its business model where it can help to improve the circular economy in the coming years:

- Resource use: Use renewable resources such as energy and recyclable/recycled materials.
- Shared or modular use and as-a-service solutions: Deploy innovative concepts during the lifecycle such as shared use of vehicles in industrial parks, renting of flexible products to several users, and the provision of products and solutions as a service under subscription or outcome-based contract models for a limited time.
- Product lifetime: Extend the lifecycle of products, solutions, and their components using methods such as appropriate design, optimal maintenance and service intervals, refurbishment, upgrades, and resale.
- Resource recovery: Recover resources at the end of their initial lives, such as through an increased commitment to recycling.

In the reporting year, the KION Group also launched and continued with initiatives that contribute to the four areas mentioned above. These include circular product design at Dematic, battery and steel recycling, battery refurbishment initiatives, and the ongoing development of a forklift truck sharing platform. With respect to battery recycling for instance, the KION Group entered a strategic partnership with Li-Cycle Holding Corp., an industry leader in lithium-ion battery resource recovery. The process used by KION Group's partner allows for the majority of a lithium-ion battery mass to be recovered, so that the critical minerals contained in these batteries can be used to manufacture new batteries. The Group's objective is to have a total of up to 5,000 tonnes of end-of-life battery cells professionally and sustainably processed at the Li-Cycle recycling plant in Magdeburg, Germany, by 2030. This tonnage is equivalent to around 15,000 large lithium-ion batteries of the kind used in forklift trucks.

Furthermore, the KION Group builds on its lifecycle management capabilities. These include the rental, lease, and used truck businesses, as well as repair, maintenance, upgrade, and refurbishment activities, which account for a substantial proportion of its revenue. For example, in 2023, one in five industrial trucks sold in the Group's ITS segment was an item of used equipment. More details on this can be found in the Sustainability Insights, published at www.kiongroup.com/sustainability.

Compliance and traceability of materials along the value chain are also incorporated. Substituting chemical substances which may be harmful to humans or may have an adverse effect on the environment is a constant challenge and considered as a key aspect in terms of responsibility at the KION Group. As an example, public discussion on per- and polyfluoroalkyl substances (PFAS), possible undesirable effects on people and the environment as well as regulatory activities to limit the

use of these widely utilized chemicals are observed. Regulatory activities limiting the use of these chemicals might have a high impact on the business. The KION Group strives to monitor scientific and regulatory developments continuously.

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 status) 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 | Climate and energy). In the reporting year, after special influences in 2022 due to reconstruction activities that occurred at a German site, a share of recovered waste of 79.8 percent could be achieved (2022: 83.6 percent, 2021: 74.2 percent). In both categories, hazardous and non-hazardous waste, the recovery rates could be 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 can be used to monitor and steer the alignment of the KION Group's core business with circular principles. The intention is to define strategic targets, the details of indicators, and a roadmap for achieving these targets in the year ahead.

07 | Supply chain

Supply chain management in the KION Group encompasses the design and management of its supply chains – that is the flow of materials and information along the entire value creation process from the supplier to the end customer. These supply chains are managed based on business criteria, but sustainability is also taken into consideration.

Procurement plays an important role at the beginning of this value chain. The Global Procurement department is responsible for the KION Group's sourcing strategy, its development and establishment of relationships with suppliers. In this context, the department defines sustainability requirements as a binding criterion for supplier selection.

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 to create a circular process for continuous improvement.

One of the KION Group's top priorities is to establish a resilient supply base that supports its growth targets and sustainability goals while also optimizing the cost of materials. Whether a supply chain is truly resilient depends on its actual performance and the speed with which supply risks are anticipated, confirmed, and mitigated. The ability to de-risk the supply chain with regard to delivery, quality, costs, and sustainability risks is critical for profitable growth. Furthermore, the implementation of circular supply chains that reduce costs and create new revenue streams will play a key role in sustainable supply chain management. Together with the OUs, the Global Procurement department will work to identify alternative material inputs and new sourcing opportunities, such as recycled materials or partners that support its products' end-of-life phase.

Procurement governance organization

The KION Group's Global Procurement Organization oversees the overall spend on the goods and services sourced by and for the Group, such as direct and indirect materials, resale and installation, transportation, and engineering services. Decisions of the Global Procurement Organization

contribute to the overall global sourcing footprint, thus directly impacting sustainability across the KION Group's value chain.

Within the Global Procurement Organization, the Global Supplier Sustainability team is responsible for defining sustainability requirements and integrating them in global procurement processes, as well as managing and executing sustainability targets, and the supplier sustainability risk assessments. The team manages the execution of the procurement supply chain sustainability strategy and also defines standardized procurement processes across the KION Group's segments (ITS and SCS) and categories. This ensures that sustainability requirements are implemented, managed, and tracked consistently throughout the Group. They also execute the supplier sustainability risk assessment program and, if necessary, support suppliers in taking improvement actions. The global and local procurement teams are responsible for managing the overall supplier base requirements and support the Global Supplier Sustainability team in their tasks, if necessary.

Sustainability is a regular topic in the Global Procurement Governance Council's bi-weekly meetings and in regional and global quarterly meetings. The Global Procurement Governance Council is composed of the Head of Global Procurement (CPO) and its global direct reports. It discusses and decides on general strategies, processes, governance, and developments. The quarterly meetings, attended by the heads of the specific regions and of the global categories, serve to monitor and steer procurement performance based on key indicators, including those that measure sustainability.

Supplier requirements and guidelines

The KION Group formulates its sustainability requirements for suppliers through dedicated guidelines and regulations. The KGCC and the Principles of Supplier Conduct contain specific requirements and rules of conduct for responsible procurement. The Principles of Supplier Conduct, which are available in the three main languages of the KION Group (i.e. those used in the most important procurement markets), formulate clear environmental and ethical guidelines for the global supplier base. The Principles of Supplier Conduct also include specific requirements regarding human rights and working conditions that are in line with the basic principles of the ILO and specific corresponding conventions.

All suppliers entering into a business relationship with the KION Group must adhere to these requirements and agree to the Principles of Supplier Conduct, either as part of the KION Group's General Terms and Conditions of Purchase or as part of the individually agreed contracts. The KION Group's General Terms and Conditions of Purchase, as well as the individual contracts, contain further obligations designed to ensure compliance with applicable laws.

In 2023, the KION Group formally committed to the Science Based Targets initiative (SBTi). In this context, the Group will develop further requirements and guidelines to address the necessary collaboration with its suppliers. This will support the achievement of its climate and circularity targets across the entire value chain (05 | Climate and energy and 06 | Circularity).

All supplier requirements can be found on the KION Group website.

Sustainable supply chain management

The KION Group requires its suppliers and business partners to commit to responsible operations. The strategy for this sustainability action field encompasses assessing supplier performance and

creating transparency in the context of sustainability. Dedicated indicators and related targets are defined to monitor strategy development and to track progress (Sustainability strategy status).

In order to assess the sustainability performance of selected suppliers objectively and robustly, the KION Group has implemented an ESG supplier risk management process. In this three-level approach, the KION Group validates compliance with specific standards in the areas of HSE, anti-corruption and anti-bribery, product-related environmental protection, upstream supply chain monitoring, human rights, labor rights, and employment standards. For all other suppliers, the ESG supplier risk management process is conducted on a case-to-case basis when a complaint is raised or a potential incident occurs.

The first level of the ESG supplier risk management process is the ESG supplier risk assessment, which encompasses global risk mapping and a further individual risk assessment. The ESG supplier risk assessment is a mandatory step in the supplier selection and contract awarding process. The global risk mapping provides a general analysis of the KION Group's supplier landscape via the EcoVadis IQ platform. Here, the suppliers' inherent sustainability risk profile is assessed based on their country, sector, and commodity risk. New suppliers are screened as part of the supplier introduction, selection, and contract awarding process. In addition, an individual risk assessment, performed via the IntegrityNext or EcoVadis platform, assesses suppliers' sustainability risk with respect to human and labor rights, ethics, and environmental compliance and protection. The individual risk assessment is mandatory for suppliers that were identified as high risk in the context of global risk mapping. In addition, the IntegrityNext self-assessment has been and will be conducted for new suppliers and some selected suppliers since 2023. Their answers are evaluated by IntegrityNext based on criteria of the KION Group that relate directly to the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG).

The second level encompasses the ESG supplier risk analysis. In this phase, the KION Group decides on the weighting and priority of the specific ESG supplier risk as determined in the first level. The priority is defined by evaluating potentially critical areas based on impact and severity assessment criteria. These criteria were established to be in line with LkSG. The results of the ESG supplier risk analysis determine whether and what kind of corrective actions will be taken within the third level of the ESG supplier risk management process.

This third level consists of the ESG supplier risk mitigation process. This is conducted mainly through the EcoVadis platform. Here, the first step is to analyze and evaluate suppliers by means of a desk audit, which includes questionnaires and document verification. Based on the desk audit results, the next steps are defined and agreed upon. These can include on-site audits and specific actions, such as individually agreed mitigation plans. All suppliers passing an EcoVadis desk audit have the opportunity to attend training courses that support them in making improvements.

By combining several supplier assessment tools, the KION Group covers not only the top spend and strategic or critical suppliers but also all those direct suppliers that need to be individually monitored according to LkSG criteria.

In 2023, the minimum EcoVadis score was removed from the target table with the understanding that a single indicator is no longer sufficient to measure sustainability progress (Sustainability strategy status). In the context of the ESG supplier risk management process, in 2023 the KION Group also considerably increased the number of individually reviewed suppliers (via IntegrityNext and EcoVadis). This allows the KION Group to have a more precise overview of its suppliers' sustainability progress, thus enabling the Group to develop a more comprehensive target in the future.

Overall, 73 percent of high-risk suppliers based on sustainability related industry and country risk were covered by the KION Group's defined ESG performance assessment (2022: 65 percent). For 27 percent of strategic and high-risk suppliers that were in the risk management process without completed ESG performance assessment at the end of the fiscal year 2023 an additional campaign is foreseen for 2024.

Supply chain risk management

In 2023, a new Supplier Performance Management department was established within the Global Procurement Organization. The department is responsible for supervising and developing the existing supply base as well as potential new suppliers on a global level. It also carries out in-depth, on-site supplier assessments and audits. In addition to standard audits, the KION Group has introduced a new audit procedure called rapid plant assessment, which applies to all new and existing suppliers and also includes sustainability criteria. It enables a quick assessment in a guided format and includes rapid on-site screening that covers questions about the workforce, working conditions, and basic environmental criteria relating to sustainability.

Additionally, a dedicated Supplier Capacity Management team proactively analyzes demand versus supply within an 18-month rolling forecast for business-critical suppliers in EMEA. This way, the KION Group is enabled to mitigate potential bottlenecks before they occur.

To further prevent risks in the KION Group's supply chain, the Global Supplier Risk Management team was established to identify and mitigate risks for business-critical suppliers worldwide, increasing the resilience of the Group's supply chain. Through Everstream Analytics, a digital solution for managing supply chain risk, the team centrally monitors several risk types across all regions (EMEA, APAC, Americas). As of 2023, geographical, geopolitical, financial, and sustainability risks were included. In the future, the scope will be expanded to include further risk types, such as operational (capacity, quality, delivery performance), cyber, and other sub-tier risks.

This approach enables decision-making by quarterly global and regional Supplier Risk Councils. Starting from 2024, these will be organized in combination with the Corporate Risk Management Committee. The assessment and quantification of supplier risk is planned for all business-critical suppliers globally.

Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)

LkSG establishes that companies must observe human rights and environmental due diligence obligations in their supply chains in an appropriate manner. To identify and assess the human rights and environmental risks in a company's supply chain, a company must assess its suppliers annually with regard to such risks, and additionally in the event of significant changes to the risk situation of a supplier, or if specific information about a (potential) human rights or environmental breach by a supplier has been received (through relevant channels, such as the whistleblower system).

In this context, an LkSG-compliant risk assessment was established by KION Group, based mainly on ESG criteria. The three-level ESG supplier risk management process described above (Sustainable supply chain management) took shape in 2022 and its implementation was successfully completed during 2023. Procurement processes were adjusted accordingly, and the ESG supplier risk management process is now a mandatory requirement for selected and new suppliers and new contracts. Having begun the process in 2022, the KION Group conducted the first annual review for

some suppliers in 2023. In line with LkSG requirements, the first report to the German Federal Office of Economics and Export Control (BAFA) will be provided during 2024.

Another key element of LkSG is to build awareness and capabilities within the purchasing organization. In 2023, 71 percent of procurement employees completed training on engagement actions with respect to compliance with human rights, labor and employment standards, and environmental protection, while previous year's participants completed a refresher training course.

Finally, Corporate Compliance is responsible for managing any complaints or potential incidents in accordance with the KION Group Internal Investigation Policy, while the Global Supplier Sustainability team is responsible for initiating the ESG supplier risk management process as defined above (Sustainable supply chain management).

Conflict minerals and conflict areas

KION GROUP AG is not required to report on conflict minerals to the US Securities and Exchange Commission, nor is it affected by the EU Conflict Minerals Regulation. Nonetheless, the KION Group acknowledges these and is moving forward to include conflict minerals and conflict areas in its ESG supplier risk management process. To this end, the KION Group established a dedicated Conflict Minerals Standard during the reporting year.

The KION Group's Conflict Minerals Standard is based on the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of the Organisation for Economic Co-operation and Development (OECD). By specifically referring to the EU Conflict Minerals Regulation (Regulation (EU) 2017/821) and the US Dodd-Frank Act (section 1502), the KION Group has clearly formulated its commitment in this area. In addition, the KION Group's expectations with regard to conflict minerals are outlined in the Principles of Supplier Conduct. Furthermore, the KION Group's General Terms and Conditions of Purchase require suppliers to provide information on conflict minerals.

To implement robust due diligence measures regarding conflict minerals in the supply chain, the KION Group has started working with Assent Inc. (Assent), a global software and service provider specialized in managing product-related supply chain data. 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 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 (REACH), the US Toxic Substances Control Act (TSCA), and the EU Restriction of Hazardous Substances Directive (RoHS). The training course was offered throughout the year and was mandatory for buyers at EMEA plants in the ITS segment. 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.

Additionally, with respect to conflict mineral smelters or refiners (SOR), the KION Group has been participating in an annual smelter outreach initiative since 2022. This initiative, which is actively managed by Assent, aims to approach directly those SORs that have not been assessed yet, or have refused to be assessed, by local auditors regarding their conflict-free minerals sourcing. This initiative does not specifically target KION Group's suppliers but is a general due diligence effort based on an industry-recognized assessment program, with the objective of improving transparency globally.

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, compliance, information security, corporate citizenship, and communications.

Organization and management

The Executive Board of KION GROUP AG is responsible for the strategic and operational management of the KION Group. For further information on the duties and the composition of the Executive Board and Supervisory Board of KION GROUP AG see the 2023 annual report published at www.kiongroup.com/ir/presentations and the KION Group website. The KION Group operates in accordance with recognized standards of sound and responsible corporate governance. The way in which the KION Group is managed and controlled is guided by statutory regulations and by the German Corporate Governance Code (DCGK). Further information on the standards applied is included in the Corporate Governance Statement. The statement is also part of the 2023 annual report published at www.kiongroup.com/ir/presentations. The KION Group's risk management system is documented in a Group risk management policy. This policy defines tasks, processes and responsibilities and sets out the rules for identifying, assessing, reporting, and managing risk. In addition, management systems are available for governance processes in the KION Group, including an internal control system, the compliance management system, and the internal audit function. Further information on this can also be found in the 2023 annual report published at www.kiongroup.com/ir/presentations.

Sustainability organization

The KION Group's approach to sustainability is characterized by the clear assignment of responsibilities. 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. Details on the role of the Supervisory Board in sustainability matters are available in the 2023 annual report published at www.kiongroup.com/ir/presentations.

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 and 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 was introduced in 2023, superseding the Sustainability Steering Committee. The council is chaired by the CPSO and includes sustainability action field leads, OU and function sustainability leads, and members of the central sustainability management team. The Sustainability Council meets approximately every two months and is set up to ensure that the sustainability program is applied uniformly across the KION Group and is continually enhanced and implemented. The council also deals with the provisions of the German Commercial Code (HGB) and EU legislation (for example the EU Taxonomy) relating to non-financial reporting, as well as further regulation of relevance to the KION Group in this area (Further notes).

The KION Group's central sustainability management team controls and coordinates the Group's sustainability program, defines sustainability-related performance indicators in conjunction with the action field leads, OUs and functions, and tracks target achievement in the action fields. It also ensures coordination between the individual action fields, between the OUs, and within the Group. Moreover, it provides internal and external specialist support.

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 and functions, and monitor progress. The OUs and 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 performance and remuneration

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. 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 actively pursues the Corporate Sustainability Assessment (CSA) carried out by the financial services company S&P Global Switzerland SA. Both ratings are strategically anchored in the Sustainable governance action field and serve as the basis for setting out tangible targets and specific indicators (Sustainability strategy status).

In the reporting year, the KION Group confirmed its Gold medal in EcoVadis. The rating evaluates companies' policies, actions and results across four main themes: Environment, Labor and human rights, Ethics, and Sustainable procurement.

In 2023, for the fifth year in a row, the KION Group actively participated in S&P Global CSA (based on the 2022 financial year) encompassing the three dimensions Governance and Economic, Social, and Environment. An increase in disclosure requirements in the CSA 2023 methodology was prompted, for example, by the upcoming EU Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS). Against this background, the KION Group was able to maintain a relatively stable position with a score of 61 points in the S&P Global CSA 2023 (2022: 62) (Sustainability strategy status). As of 22 December 2023, the KION Group ranked with 94 percentile in the top decile in the industry group IEQ Machinery and Electrical Equipment in the S&P Global Corporate Sustainability Assessment.

The incentive structure of the Executive Board of KION GROUP AG and of senior management represents another important lever to ensure progress in the area of sustainability. Both the long-term variable remuneration and the short-term variable remuneration of the Executive Board of KION GROUP AG and the KION Group management are linked to non-financial targets from core areas of the sustainability strategy. In addition to the Lost Time Injury Frequency Rate (LTIFR), relevant targets include ISO 14001 certification of the environmental management system at the KION Group's locations, the assessment of ESG performance as part of the S&P Global CSA, and employer attractiveness as measured by the employee survey KION Pulse. Further details of Executive Board remuneration, including the individual amounts for each member, are presented in KION GROUP AG's separate 2023 remuneration report available on the KION Group website.

Compliance management

The KION Group stands for compliance with laws, guidelines, and voluntary codes in the Group and relies on a comprehensive compliance management system.

The KGCC serves as the basis for this. It is supplemented by other groupwide regulations on various topics, covering the entire scope of the KION Group's activities. The KGCC is a binding framework for all KION Group employees. It sets out guidance on correct conduct with colleagues, customers, business partners, and the public. The rules and regulations are available in 24 languages on the KION Group social intranet and are updated regularly to ensure being always in line with the prevailing legal situation and the environment in which the Group operates. As a German corporation, KION GROUP AG is primarily subject to German law. At the same time, the KION Group is required to uphold national laws at all its global locations. In the event of conflicting legislation in two jurisdictions, the KGCC determines the relevant approach. In cases of doubt concerning legal requirements, the KION Group's Compliance and Legal departments serve as points of contact.

The KION Group's compliance program is continually updated to include new topics and new priorities. As in previous years, work in 2023 focused on anti-corruption, data protection and IT security, foreign trade and export control, the fight against money laundering, fraud prevention with a focus on cybercrime, speak-up culture, and directors' and officers' liability and responsibility.

Compliance organization

The Executive Board of the KION GROUP AG bears overall responsibility for the compliance management system in the KION Group. In organizational terms, Corporate Compliance reports to the Chief Executive Officer of KION GROUP AG and is headed by the Chief Compliance Officer. Together with the compliance team, the Chief Compliance Officer is responsible for further developing the compliance management system, providing advice and information on compliance topics, resolving cases of non-compliance, and providing appropriate training. Each OU has a full-time compliance officer who reports directly to the Chief Compliance Officer and supports the management of the OU in implementing compliance requirements.

Local and regional compliance representatives are committed to ensuring that operations at subsidiaries comply with statutory and regulatory requirements. Consequently, they are the first points of contact for questions on, and reporting of, possible instances of non-compliance. Together, they form the groupwide compliance team, reporting to the compliance officer of the OU. In 2023, a full-time compliance officer was appointed to the CTO organization to address the specific needs for compliance support in the areas of research and development and procurement.

Every quarter, the local compliance representatives report their activities to Corporate Compliance. These reports contain information on inquiries received, potential compliance violations, and compliance training conducted locally. Information on donations and sponsorship activities is reported ad hoc to Corporate Compliance, where it is subject to an integrity check. Corporate Compliance works closely with the Legal, Internal Audit, and Human Resources departments. As a cross-functional body, the KION Group Compliance Committee is staffed by senior managers from Corporate Compliance, Internal Audit, and the Legal department. It primarily addresses compliance concerns, manages investigations, and advises on sanctions when compliance violations are identified.

Actual or suspected incidents of non-compliance can be reported in person or by telephone, mail, or email. In addition, all KION Group employees and external stakeholders can use a whistleblowing hotline or an online form to report potential compliance violations anonymously 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 employee of business partners, and every individual has access to and can use the whistleblower system in their own language via their preferred communication channel. Contact information for reporting can be found in the compliance section of the KION Group website. To promote the use of the system and improve the speak-up culture, Corporate Compliance communicated information and provided mandatory training to all KION Group employees with access to a computer as part of Compliance and Data Protection Week in November 2023. The integrated case management system is designed to ensure that all reports are reviewed and that each case is processed systematically and in compliance with the EU Whistleblowing Directive. Non-retaliation and confidentiality are ensured.

All reported suspected cases are followed up. 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. Appropriate clauses in contracts with dealers, consultants, and suppliers also have a preventive effect. In the reporting year, there were no confirmed cases of active corruption, bribery, or anti-competitive behavior of employees of the KION Group.

The efficacy of the KION Group's compliance management system is continually reviewed and refined. It is based on the model of audit standard 980 of the Institute of Public Auditors in Germany (IDW PS 980), which focuses on preventing compliance violations. As part of its regular and ad hoc audits, the Group's Internal Audit department checks compliance at KION GROUP AG and its consolidated subsidiaries with the compliance requirements.

Zero tolerance for corruption and bribery

The KION Group expressly supports the fight against all forms of corruption and bribery. To this end, it follows a "prevent, detect, respond" approach. In addition to the dispositions on conduct and corruption prevention in the KGCC, detailed rules are also set out in dedicated policies. These include the KION Group Anti-Bribery and Corruption Policy (ABC Policy), the KION Group Policy on Avoiding Conflicts of Interest, and the KION Group Donations and Sponsorship Policy.

Additionally, a risk assessment focusing on corruption and bribery was carried out in 2023. It did not detect any material risks as defined by an internally set threshold.

Clear guidelines for donations and sponsorships

With the revision of the KION Group's Donations and Sponsorship Policy in 2020, existing rules within the Group were standardized. Approval processes for donations and sponsorship activities were 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 Türkiye and Syria. Further details on contributions can be found in the nability Insights published at www.kiongroup.com/sustainability.

Training measures on compliance issues

All new employees in the KION Group are required to complete an e-learning course that covers all aspects of the KGCC. Employees without a work computer and those who are exposed to particular compliance risks due to their activities – such as sales – receive special training in person.

The KION Group offers several e-learning courses on compliance topics to all its employees with access to a PC. Participation in these programs is tracked and documented. The courses are tailored depending on different risk categories, which are determined based on the different role descriptions.

The aim is to train all KION Group employees regularly on the most critical topics: anti-corruption, avoidance of conflicts of interest, antitrust law, anti-money laundering, whistleblower protection, data protection, IT security, and human rights. Findings from the KION Group's compliance management system and changes to legislation or internal regulations are also incorporated into the face-to-face training courses. In 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.

Periodic compliance risk assessment

As part of a systematic assessment, the KION Group records and evaluates corruption and bribery risks on a regular basis throughout the Group (including KION GROUP AG). Money laundering risks and the risks of non-compliance with antitrust laws, tax compliance, cybersecurity, and human rights are also assessed. Non-financial risks that arise on an ongoing basis are screened, evaluated, and managed. Adequate measures are subsequently determined to eliminate both process and control weaknesses.

The characteristics of the corruption perception index for the respective country, the size and structure of the local purchasing or sales organization, and contacts with public officials play an important role in the risk assessment. The assessment was rolled out to all KION Group entities, including KION GROUP AG, and based on our internal significance threshold no significant risks of corruption, money-laundering, and anti-competitive behavior were identified.

In 2023, the Executive Board also resolved to apply the KION Group Composite Compliance Index and its recommendations when opening business in new markets and countries. This index is a composite index classifying country risks based on sub-indices from reputable international organizations. The index provides the Executive Board with an additional information base to address adequately compliance risks in the areas of corruption, civil liberties, Human Rights, international minimum employment standards and export controls.

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 policies are regularly adapted to the legal framework for data protection. In particular, the European Union's General Data Protection Regulation (GDPR) and national laws must be observed. To uphold information security, the focus is not only on the European Network and Information Security (NIS) Directive, which ensures a high level of network and information security, but also on additional national IT security laws, such as the US Federal Information Security Management Act and the relevant security laws in place in China.

It falls to the OUs to implement the central requirements. Those responsible for data protection and its coordination in the individual subsidiaries report to their respective senior management team. The Group Data Protection Officer reports directly to the Chief Compliance Officer, while the KION Group Chief Information Security Officer (CISO) reports to the KION Group's Chief Information Officer. The latter then reports to the Executive Board of the KION GROUP AG. This dedicated organizational structure emphasizes the importance of both data protection and information security within the organization.

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.

Further notes

Incorporating the EU Taxonomy

Regulation (EU) 2020/852 (Taxonomy Regulation) and the corresponding Delegated Acts establish a classification system that defines criteria for economic activities in the context of sustainability for six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

In line with the requirements of the currently applicable regulatory framework, the KION Group discloses the taxonomy-aligned, taxonomy-eligible but not taxonomy-aligned and the non-taxonomy eligible proportion of turnover (revenue), capital expenditure (CapEx), and operating expenditure (OpEx) for the 2023 financial year. Detailed tables in accordance with the Taxonomy Regulation can be found in the annex (Further disclosure on EU Taxonomy).

Taxonomy-eligible economic activities

The KION Group put together an interdisciplinary team to screen its relevant economic activities and assign them to associated taxonomy-eligible activities as defined by the Taxonomy Regulation. For the 2023 financial year, the KION Group has assessed taxonomy eligibility for economic activities of the Climate Delegated Act (EU) 2021/2139, the Complementary Climate Delegated Act 2022/1214, the Amended Climate Delegated Acts (EU) 2023/2485 and the Environmental Delegated Act (EU) 2023/2486. The outcome showed that the activities of the KION Group could be assigned to the objectives climate change mitigation and transition to a circular economy. The remaining four objectives were screened for potential taxonomy-eligible activities. However, no eligibility was determined.

Furthermore, the Climate Delegated Regulation 2022/1214 outlines specific disclosure requirements related to gas and nuclear energy activities. As the KION Group is not engaged in economic activities within these energy sectors, there are no implications for the KION Group's reporting, nor for the corresponding taxonomy indicators. The templates specified in the supplementary Delegated Regulation are not applicable and are not included in the report.

The taxonomy-eligible activities identified for the KION Group can be found in the following table.

KION Group taxonomy-eligible activities

Contribution to environmental objective	Economic activity under the Taxonomy Regulation	Application of the economic activity at KION Group
Climate change mitigation	3.2 Manufacture of equipment for the production and use of hydrogen	Manufacturing of fuel cells for industrial trucks
	3.4 Manufacture of batteries	Manufacturing of lithium-ion batteries
	3.6 Manufacture of other low carbon technologies	Manufacturing of electrified trucks and warehouse trucks
	3.10 Manufacture of hydrogen	Manufacturing and storage of hydrogen in context of a hydrogen station
	6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Purchasing and leasing of an internal fleet of vehicles as part of KION Group's fleet management
	7.7 Acquisition and ownership of buildings	Leased/rented and acquired office buildings
Transition to a circular economy	5.1 Repair, refurbishment and remanufacturing	Repair activities provided as part of after sales services (ITS and SCS segment)
	5.2 Sale of spare parts	Sale of spare parts as part of after sales and customer services
	5.4 Sale of second-hand goods	Sales of used business trucks (expenditures related to refurbishment are summarized under activity 5.4 as the purpose of this activity is the sale of second-hand goods)
	5.5 Product-as-a-service and other circular use- and result-oriented service models	Leasing and renting of trucks to customers

Assessment of taxonomy-eligible economic activities

For the KION Group, the most relevant economic activities of the climate change mitigation objective are 3.2 Manufacture of equipment for the production and use of hydrogen, 3.4 Manufacture of batteries, 3.6 Manufacture of other low-carbon technologies, and 3.10 Manufacture of hydrogen. The KION Group considers economic activity 3.6 because there are currently no specific criteria for the intralogistics sector. This activity relates to technologies that demonstrate substantial lifecycle greenhouse gas (GHG) emission savings compared with the best performing alternative technology available on the market.

Regarding the new environmental objectives applicable from 2023, the KION Group makes particular reference to the transition to a circular economy objective. In this context, relevant activities are 5.1 Repair, refurbishment and remanufacturing, 5.2 Sale of spare parts, 5.4 Sale of second-hand goods, and 5.5 Product-as-a-service and other circular use- and result-oriented service models.

Assessment of taxonomy-aligned economic activities

In line with the Taxonomy Regulation, taxonomy-alignment of taxonomy-eligible activities was assessed according to the following requirements:

1. Compliance with the technical screening criteria for a substantial contribution by the associated economic activity,

2. Compliance with the technical screening criteria preventing significant harm to one or more of the environmental objectives (Do no significant harm criteria, DNSH) by the associated economic activity,

3. Compliance with minimum safeguards (MS).

Compliance with Substantial contribution criteria

Taxonomy-alignment was assessed for the economic activities of the climate change mitigation objective only. For the 2023 financial year, in line with the Environmental Delegated Act (EU) 2023/2486, there was no assessment of the alignment of economic activities falling under the transition to a circular economy objective. Taxonomy-alignment was assessed for activity 3.2 of the climate change mitigation objective which refers to the manufacture of equipment for the production and use of hydrogen, as the KION Group develops and manufactures fuel cells. As the economic activity 3.2 does not specify the substantial contribution criterion for the manufacture of equipment for the production and use of hydrogen (i.e. fuel cells), it is fulfilled by the manufacturing activity itself. No substantial contribution criterion must be met in this case.

Taxonomy-alignment was also assessed for activity 3.4 Manufacture of batteries and 3.10 Manufacture of hydrogen of the climate change mitigation objective. The manufacture of lithium-ion batteries substantially contributes to GHG emission reductions due to higher energy efficiency compared with lead-acid batteries. Furthermore, batteries are an enabler for a high number of low-carbon technologies in other sectors and industrial applications. As for economic activity 3.10, quantified life-cycle GHG emission savings are not verified and thus, the substantial contribution criterion cannot be met.

Finally, taxonomy-alignment was assessed for the manufacture of selected electric trucks (e-trucks), referring to activity 3.6 (Manufacture of other low carbon technologies) of the climate change mitigation objective. These selected trucks are currently the only available technology in the market that facilitates the electrification of outdoor logistics handling in its power range. In addition, an externally verified life-cycle assessment (LCA) showed that the technology of e-trucks can yield substantially lower life-cycle GHG emissions compared with the technology of conventional internal combustion (IC) trucks. The reduction of the life-cycle GHG emissions were calculated by up to 52 percent by using e-trucks opposed to conventional IC trucks. However, the life-cycle assessment has been performed in prior years following ISO 14040 and ISO 14044 which currently does not fulfill the substantial contribution criteria.

The technical screening criteria for economic activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, and 7.7 Acquisition and ownership of buildings cannot currently be fulfilled. For this reason, these cannot be reported as taxonomy-aligned for the 2023 financial year.

Compliance with DNSH criteria

The KION Group performed an assessment regarding the DNSH criteria. The assessment is designed to ensure that the potential of considerable impairments toward another environmental objective is minimized.

In order to assess whether economic activities do no significant harm to the climate change adaptation objective, a climate risk and vulnerability assessment in line with Appendix A of Annex 1 to the Delegated Act (EU) 2021/2139 was carried out. The focus was on KION Group locations where the taxonomy-eligible activities related to the core business (3.2 Manufacture of equipment for the production and use of hydrogen, 3.4 Manufacture of batteries, 3.6 Manufacture of other low-carbon

technologies and 3.10 Manufacture of hydrogen) are carried out. Overall, no material climate-related physical risks were identified.

To review the other overarching DNSH criteria, the KION Group held workshops with Health, Safety, and Environment managers of the Operating Units (OUs) for the respectively affected economic activities. The analysis focused on the economic activities 3.2 Manufacture of equipment for the production and use of hydrogen, 3.4 Manufacture of batteries, 3.6 Manufacture of other low-carbon technologies, and 3.10 Manufacture of hydrogen. For these activities and associated locations, the assessment of the DNSH criteria according to Appendices B and D of Annex 1 to the Delegated Act (EU) 2021/2139 showed that these criteria are fulfilled.

The KION Group ensures fulfilment of the DNSH criteria primarily by employing established environmental management systems that adhere to ISO 14001 standards. In addition, the relevant KION Group locations for taxonomy-alignment were analyzed with respect to their proximity to biodiversity-sensitive areas. In this context, the assessment used the Natura 2000 Network Viewer of the European Environmental Agency as the base data. The analysis found that none of the KION Group locations where taxonomy-eligible economic activities take place are located in or near biodiversity-sensitive areas.

The DNSH criteria on pollution prevention and control outlined in Appendix C of Annex 1 to the Delegated Act (EU) 2021/2139 requires that the economic activity does not lead to the manufacture, placing on the market or use of restricted substances subject to current European legislation on chemicals, or of other groups of substances (as defined under point (f)) in Appendix C. Due to the EU Commission's amendments to Appendix C within the Amended Climate Delegated Act (EU) 2023/2485, the requirements under point (f) are no longer fulfilled for activities 3.2 Manufacture of equipment for the production and use of hydrogen, 3.4 Manufacture of batteries, and 3.6 Manufacture of other low carbon technologies, and 3.10 Manufacture of hydrogen. Thus, these activities no longer fulfill the DNSH criteria and are therefore reported as taxonomy-eligible for the 2023 financial year.

With regard to the transition to a circular economy objective, the evaluation of the DNSH criterion focuses on the reuse and use of secondary raw materials, design for high durability and recyclability, and the provision of information on substances throughout the lifecycle of the manufactured products. Fulfilment of these requirements was assessed and found to be met. For example, activity 3.4 Manufacture of batteries demonstrated that batteries produced by the KION Group are designed for high durability and easy disassembly. Also, companies like the KION Group are obliged by regulation to ensure that batteries can be returned and recycled. Furthermore, the steel used in trucks can be easily recycled, meaning that it is feasible to reuse a high proportion of this material.

Compliance with minimum safeguards

The Taxonomy Regulation requires businesses to ensure the implementation of processes that safeguard compliance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles (UNGP) on Business and Human Rights, the eight fundamental International Labour Organization conventions and the International Bill of Human Rights. These minimum safeguards primarily cover human rights, bribery and corruption, fair competition, and taxation. In this context, the KION Group assessed compliance with minimum safeguards by analyzing groupwide guidelines, policies, processes (including due diligence and risk assessments), and measures that have been implemented for each of the aforementioned topics to identify, prevent, and monitor risks and to manage the associated negative impacts. At the time of this analysis, the KION Group also verified that there were no confirmed cases of violations in any of the aforementioned topics.

With respect to human rights, the KION Group has an established Human Rights assessment and due diligence (HRDD) process, which was checked to confirm compliance with the minimum safeguards in this topic, in line with the six steps of Human Rights Due Diligence defined by UNGP.

EU Taxonomy indicators calculation

The collection of revenue, capital expenditure and operating expenditure was carried out in accordance with the Delegated Regulation on Article 8 of the Taxonomy Regulation, with reference to the guidance on applying Article 8 of the Taxonomy Regulation.

For the purpose of data collection and consolidation, a core team was set up consisting of experts from Corporate Sustainability, Corporate Controlling and taxonomy experts. An overview of all eligible activities and responsible KION Group OUs was created and a process was put in place to collect and consolidate relevant data on the Group and OU level. Data available on OU level was consolidated to the Group level. Data was assessed by analyzing respective accounts where applicable and on a project-by-project basis. Where no revenue, CapEx or OpEx are reported for an economic activity, these were deemed as not applicable for the economic activity as a result of the above-mentioned analysis overview and related data collection.

To determine the taxonomy-eligible and taxonomy-aligned proportion of global turnover, the ratio of the revenue from all eligible and aligned economic activities to the KION Group's total revenue was calculated. The eligible revenue is mostly based on financial accounts corresponding to the eligible economic activities, while the total revenue represents the sum of the consolidated net revenue of all reporting entities (see the section 'KION Group Key figures' of the 2023 annual report, published at www.kiongroup.com/ir/presentations).

To determine the taxonomy-eligible and taxonomy-aligned proportion of CapEx, the ratio of capital expenditure in all eligible and aligned economic activities to the KION Group's total CapEx was calculated. The total CapEx represents the sum of operating CapEx (see the section 'KION Group Key figures' of the 2023 annual report, published at www.kiongroup.com/ir/presentations) and lease investments in rental fleet, buildings and company cars (see notes [17], [18] and [19] in the notes to the consolidated financial statement of the 2023 annual report, published at www.kiongroup.com/ir/presentations).

To determine the taxonomy-eligible and taxonomy-aligned proportion of OpEx, the ratio of relevant operating expenses for all eligible and aligned economic activities to the KION Group's total OpEx as defined in the Delegated Regulation on Article 8 of the Taxonomy Regulation was calculated. The total OpEx represents the sum of all relevant non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

To avoid double counting of turnover, CapEx and OpEx that contribute to more than one economic activity, the KION Group assigns taxonomy-eligible and taxonomy-aligned turnover, CapEx and OpEx to one activity only. Furthermore, KION Group's economic activities do not contribute to multiple environmental objectives simultaneously. This means that taxonomy-eligible and taxonomy-aligned activities are assigned to either climate change mitigation or transition to a circular economy, which further prevents double counting.

An overview of the taxonomy-eligible as well as the taxonomy-aligned proportion of revenue, CapEx, and OpEx is presented in the following table for the 2022 and 2023 financial years.

Taxonomy-eligible and taxonomy-aligned revenue, CapEx and OpEx from KION Group business activities*

	2023		2022[3]		Change
	€ million	%	€ million	%	Total
Revenue					
KION Group total	11,433.7	100.0 %	11,135.6	100.0 %	+2.7 %
thereof taxonomy-eligible activities[1]	6,856.1	60.0 %	3,770.4	33.8 %	+81.8 %
thereof taxonomy-aligned activities[2]	0	0.0 %	6.7	0.1 %	–100.0 %
Capital expenditures (CapEx)					
KION Group total	1,718.5	100.0 %	1,468.0	100.0 %	+17.1 %
thereof taxonomy-eligible activities[1]	1,501.2	87.4 %	911.8	62.1 %	+64.6 %
thereof taxonomy-aligned activities[2]	0	0.0 %	11.6	0.8 %	–100.0 %
Operating expenses (OpEx)					
KION Group total	951.5	100.0 %	215.2	100.0 %	> 100 %
thereof taxonomy-eligible activities[1]	919.3	96.6 %	186.5	86.7 %	> 100 %
thereof taxonomy-aligned activities[2]	0	0.0 %	8.5	3.9 %	–100.0 %

* For general information on revenues, capital expenditures and operating expenses, please refer to the 2023 annual report, especially to notes to the consolidated financial statements (notes to the consolidated income statement) and combined management report (analysis of capital expenditure). Detailed tables available in annex (Further disclosure on EU Taxonomy).

1 This refers to the sum of Taxonomy-aligned and Taxonomy-eligible (not Taxonomy-aligned) activities (Total A.1 + A.2, see tables in Further disclosure on EU Taxonomy).

2 Taxonomy-alignment was assessed for the economic activities of the first two environmental objectives only.

3 Previous year's figures referring to Taxonomy-eligible (not Taxonomy-aligned) activities were adjusted due to changes in activity 6.5 and 7.7 in the respective amounts of plus 49.0 € million and plus 91.0 € million (CapEx only).
The previous year total Capex was also adjusted to 1.468 € million.
Previous year's figures referring to Taxonomy-aligned activities were adjusted due to no alignment possible for activity 3.6, respectively in the amount of: minus 19.5 € million (revenue), minus 0.5 € million (CapEx), and minus 0.4 € million (OpEx). The same amounts were respectively added (plus) to the Taxonomy-eligible (not Taxonomy-aligned) activities.

Compared to the previous reporting period, the portion of taxonomy-eligible revenue, CapEx and Opex increased mainly due to the additional economic activities which were considered under the new objective transition to a circular economy. The drop in taxonomy-eligible revenue, CapEx and OpEx reported for activity 3.6 can be mainly attributed to the shift of used and leased industrial trucks (now reported under activities 5.4 and 5.5).

To improve the quality on the taxonomy-eligibility and alignment reporting requirements, the KION Group conducted a reassessment of selected e-trucks regarding taxonomy-alignment under activity 3.6 Manufacture of other low carbon technologies for the 2022 and 2023 financial years. According to the substantial contribution criteria, the reduction in life-cycle GHG emissions must be calculated and verified according to ISO 14067. Since the above-mentioned LCA was performed and verified based on ISO 14044 and ISO 14040, it currently does not fulfill the substantial contribution criteria for taxonomy-alignment. For this reason, the selected e-trucks were assessed to be taxonomy-eligible, but not taxonomy-aligned for both the 2022 and 2023 financial years. Furthermore, a reassessment was also conducted regarding activity 6.5 Transport by motorbikes,

passenger cars and light commercial vehicles. To include and consider the entire company car fleet and not only electric vehicles, the share was restated for the 2022 financial year.

Due to the above-mentioned reassessment and the stricter requirements of the amended DNSH criteria in Appendix C of Annex 1 to the Delegated Act (EU) 2021/2139, no economic activity can be reported as taxonomy-aligned for the 2023 financial year. Compared to the previous year, this has led to a decrease of the taxonomy-aligned share of revenue, CapEx, and OpEx to 0 percent.

Further notes on the EU Taxonomy Regulation

The Taxonomy Regulation is still at an early stage and will be further developed. The KION Group is convinced that the Group and its portfolio, consisting of efficient products and solutions in all segments, can make a major contribution to the defined objectives. The current version of the Taxonomy Regulation does not provide appropriate economic activity descriptions and technical screening criteria for all activities. For example, due to the complexity and individuality of automated supply chain solutions, there is currently no dedicated EU Taxonomy economic activity against which to perform the eligibility and alignment assessment. Along with further requirements, the specifications and objectives of the Taxonomy Regulation are systematically pursued within the sustainability strategy and incorporated into the Group's activities. In the course of this report, detailed descriptions of the activities within the individual action fields provide an overview of KION Group's sustainability efforts and performance.

Scope and assurance of this report

This non-financial report shows the progress KION GROUP AG and its consolidated subsidiaries (collectively: the "KION Group") have made in terms of sustainability management during the reporting period from January 1 to December 31 2023 (fiscal year 2023). A list of the consolidated entities can be found in the notes to the consolidated financial statements in the 2023 annual report published at www.kiongroup.com/ir/presentations. Through this report, KION GROUP AG also fulfils its obligation to prepare a Group non-financial report (NfR) as required by Sections 315b, 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB). The content of this report by KION GROUP AG is basically oriented on the standards of the Global Reporting Initiative (GRI). The GRI Content Index can be found in the Annex to the Sustainability Insights published at www.kiongroup.com/sustainability.The Sustainability Insights contains further information on the KION Group's sustainability activities that goes beyond the statutory reporting requirements.

The Supervisory Board of KION GROUP AG has commissioned an auditing company with an external audit to obtain limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) of the separate non-financial group report in accordance with Section 315b of the HGB, in accordance with the Regulation (EU) 2020/852 (Taxonomy Regulation) as well as in accordance with the GRI standards. Reporting in accordance with SASB is not part of the external audit. The Supervisory Board of KION GROUP AG included the auditor's opinion in its independent review of the non-financial consolidated report and its corresponding resolution. The audit mandate and the results of the audits can be found in the Assurance Report ("Limited assurance report of the independent practitioner regarding the Non-financial report").

The regularly updated Group-wide materiality analysis also assesses the relevant material issues for the KION Group's non-financial report. Issues relevant for the NfR can be found in the Index for KION Group non-financial report (NfR) in accordance with CSR-RUG.

Non-financial risks for the KION Group's business activities are addressed within the scope of the KION Group's risk management, which is explained in detail in the risk report of the combined management report in the KION Group 2023 annual report published at www.kiongroup.com/ir/presentations. Pursuant to Section 289c (3) nos. 3 and 4 of the HGB, no material risks with a very likely serious negative impact on the aspects mentioned in the CSR RUG have been identified that are linked to the KION Group's own business activities, business relationships, products and services. Furthermore, there are no non-financial indicators that have been identified as core key performance indicators according to Sections 289c (3) no. 5, 315 (3) of the HGB. References to values reported in the consolidated financial statements are not necessary for understanding.

Collection and comparability of data and information

The key figures in this report 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 report 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 report, is ensured throughout the KION Group by internal reporting systems. Currently, around 1,000 indicators are recorded throughout the Group. Figures in this non-financial report 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, i.e. 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

This non-financial report 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 Non-financial report 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 KION Group Management Report 2023, which was combined with the Company Management Report. Additional

factors may also have an adverse impact on our 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 this non-financial report.

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 2023 non-financial report can be downloaded in PDF format in German and English in the sustainability section on the KION Group website. Further and more detailed information can be found on the KION Group website, in the Sustainability Insights published at www.kiongroup.com/sustainability and in the 2023 annual report published at www.kiongroup.com/ir/presentations.

Annex

Non-financial report (NfR) index

Index for KION Group non-financial report (NfR) in accordance with CSR-RUG

Non-financial aspect	Material aspects	Main action fields	Chapters
Description of the business model			Company profile
Identification of material issues, non-financial risks, specific financial items in the Financial Statement			Further notes
Environmental matters	Climate action (Local) Environmental protection Circular products and business models	Product and solution sustainability	04 | Product and solution sustainability
		Climate and energy	05 | Climate and energy
		Circularity	06 | Circularity
Employee matters	Occupational health and safety	Occupational health and safety	01 | Occupational health and safety
		Talent	02 | Talent
Social matters	Responsible product portfolio Product and customer safety		Sustainability management
		Product and solution safety	03 | Product and solution safety
		Sustainable governance	08 | Sustainable governance
Respect for human rights	Sustainable supply chain	Supply chain	07 | Supply chain
Anti-corruption and bribery matters		Sustainable governance	08 | Sustainable governance

Further disclosure on EU Taxonomy

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)*	Category enabling activity (19)	Category enabling activity (20)
				Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)										
		€ million	%	(c)	(c)	(c)	(c)	(c)	(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)[1]																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.0	0.0 %	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	N	Y	Y	Y	0.0 %		
Manufacture of batteries	CCM 3.4	0.0	0.0 %	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	N	Y	Y	Y	0.1 %		
Manufacture of other low carbon technologies*	CCM 3.6	0.0	0.0 %	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	N	Y	Y	Y	0.0 %		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**0.1 %**		
Of which Enabling		0.0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0 %	E	
Of which Transitional		0.0	0.0 %	0.0 %						n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0 %		T

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)*	Category enabling activity (19)	Category enabling activity (20)
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.0	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Manufacture of batteries	CCM 3.4	4.5	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Manufacture of other low carbon technologies	CCM 3.6	3,401.5	29.7 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								33.8 %		
Manufacture of hydrogen	CCM 3.10	0.0	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.0	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Acquisition and ownership of buildings	CCM 7.7	0.0	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Repair, refurbishment and remanufacturing	CE 5.1	1,050.9	9.2 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Sale of spare parts	CE 5.2	774.7	6.8 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Sale of second-hand goods	CE 5.4	460.8	4.0 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	1,163.6	10.2 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**6,856.1**	**60.0 %**	**29.8 %**	**0.0 %**	**0.0 %**	**0.0 %**	**30.2 %**	**0.0 %**								**33.8 %**		
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		**6,856.1**	**60.0 %**	**29.8 %**	**0.0 %**	**0.0 %**	**0.0 %**	**30.2 %**	**0.0 %**								**33.8 %**		

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria								DNSH criteria (Does Not Significantly Harm)							
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)*	Category enabling activity (19)	Category enabling activity (20)
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities		**4,577.6**	**40.0 %**																
Total		**11,433.7**	**100.0 %**																

* Previous year's figures under A.1. were adjusted for activity CCM 3.6 in the amount of minus 19.5 € million turnover. Previous year's figures under A.2. were adjusted for activity CCM 3.6 in the amount of plus 19.5 € million turnover.

1 Taxonomy-alignment was assessed for the economic activities of the first two environmental objective only.

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.: Climate Change Mitigation: CCM – Climate Change Adaptation: CCA – Water and Marine Resources: WTR – Circular Economy: CE – Pollution Prevention and Control: PPC – Biodiversity and ecosystems: BIO. For example, the Activity "Afforestation" would have the Code: CCM 1.1. Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated. For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1./ CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template.

(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023			Year		Substantial Contribution Criteria							DNSH criteria (Does Not Significantly Harm)								
Economic activities (1)		**Code (a) (2)**	**Turnover (3)**	**Proportion of Turnover, year 2023 (4)**	**Climate change Mitigation (5)**	**Climate change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)***	**Category enabling activity (19)**	**Category enabling activity (20)**
	Proportion of turnover/Total turnover																			
	Taxonomy-aligned per objective	Taxonomy-eligible per objective																		
CCM	%	%																		
CCA	%	%																		
WTR	%	%																		
CE	%	%																		
PPC	%	%																		
BIO	%	%																		

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL - Taxonomy eligible activity for the relevant objective
N/EL - Taxonomy non-eligible activity for the relevant objective

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)*	Category enabling activity (19)	Category transitional activity (20)
				Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)										
		€ million	%	(c)	(c)	(c)	(c)	(c)	(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)[1]																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.0	0.0 %	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	N	Y	Y	Y	0.2 %		
Manufacture of batteries	CCM 3.4	0.0	0.0 %	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	N	Y	Y	Y	0.6 %		
Manufacture of other low carbon technologies*	CCM 3.6	0.0	0.0 %	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	N	Y	Y	Y	0.0 %		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**0.8 %**		
Of which Enabling		0.0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0 %	E	
Of which Transitional		0.0	0.0 %	0.0 %						n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0 %		T

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)*	Category enabling activity (19)	Category transitional activity (20)
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL(f)	EL; N/EL(f)	EL; N/EL(f)	EL; N/EL(f)	EL; N/EL(f)	EL; N/EL(f)										
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	1.8	0.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Manufacture of batteries	CCM 3.4	3.0	0.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Manufacture of other low carbon technologies	CCM 3.6	171.6	10.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								46.8 %		
Manufacture of hydrogen	CCM 3.10	0.4	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1 %		
Transport by motorbikes, passenger cars and light commercial vehicles*	CCM 6.5	83.1	4.8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.4 %		
Acquisition and ownership of buildings	CCM 7.7	134.5	7.8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11.1 %		
Repair, refurbishment and remanufacturing	CE 5.1	0.0	0.0 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Sale of spare parts	CE 5.2	44.8	2.6 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Sale of second-hand goods	CE 5.4	3.8	0.2 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	1,058.1	61.6 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,501.2**	**87.4 %**	**23.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**64.4 %**	**0.0 %**								**61.3 %**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**1,501.2**	**87.4 %**	**23.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**64.4 %**	**0.0 %**								**62.1 %**		

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)*	Category enabling activity (19)	Category transitional activity (20)
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy-non-eligible activities		**217.3**	**12.6 %**																
Total		**1,718.5**	**100.0 %**																

* Previous year's figures under A.1. were adjusted for activity CCM 3.6 in the amount of: minus 0.5 € million CapEx. Previous year's figures under A.2 were adjusted for activity CCM 6.5 in the amount of plus 49.0 € million CapEx, for activity CCM 3.6 in the amount of plus 0.5 € million CapEx, for activity CCM 7.7 in the amount of plus 91.0 € million CapEx. Previous year's total Capex was adjusted to 1,468 € million.

1 Taxonomy-alignment was assessed for the economic activities of the first two environmental objective only.

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.: Climate Change Mitigation: CCM – Climate Change Adaptation: CCA – Water and Marine Resources: WTR – Circular Economy: CE – Pollution Prevention and Control: PPC – Biodiversity and ecosystems: BIO. For example, the Activity "Afforestation" would have the Code: CCM 1.1. Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated. For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1./ CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template.

(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023			Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)								
Economic activities (1)		**Code (a) (2)**	**CapEx (3)**	**Propor-tion of CapEx, year 2023 (4)**	**Climate change Mitigation (5)**	**Climate change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)***	**Category enabling activity (19)**	**Category transitional activity (20)**
	Proportion of CapEx/Total CapEx																		
	Taxonomy-aligned per objective		Taxonomy-eligible per objective																
CCM	%		%																
CCA	%		%																
WTR	%		%																
CE	%		%																
PPC	%		%																
BIO	%		%																

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL - Taxonomy eligible activity for the relevant objective
N/EL - Taxonomy non-eligible activity for the relevant objective

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)*	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)[1]																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.0	0.0 %	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	N	Y	Y	Y	0.7 %		
Manufacture of batteries	CCM 3.4	0.0	0.0 %	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	N	Y	Y	Y	3.3 %		
Manufacture of other low carbon technologies	CCM 3.6	0.0	0.0 %	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	N	Y	Y	Y	0.0 %		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**3.9 %**		
Of which Enabling		0.0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0 %	E	
Of which Transitional		0.0	0.0 %	0.0 %						n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0 %		T

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)*	Category enabling activity (19)	Category transitional activity (20)
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.0	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Manufacture of batteries	CCM 3.4	3.9	0.4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Manufacture of other low carbon technologies	CCM 3.6	196.8	20.7 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								82.7 %		
Manufacture of hydrogen	CCM 3.10	1.6	0.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.0	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Acquisition and ownership of buildings	CCM 7.7	0.0	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Repair, refurbishment and remanufacturing	CE 5.1	664.0	69.8 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Sale of spare parts	CE 5.2	2.4	0.2 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Sale of second-hand goods	CE 5.4	0.0	0.0 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	50.5	5.3 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**919.3**	**96.6 %**	**21.3 %**	**0.0 %**	**0.0 %**	**0.0 %**	**75.3 %**	**0.0 %**								**82.7 %**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**919.3**	**96.6 %**	**21.3 %**	**0.0 %**	**0.0 %**	**0.0 %**	**75.3 %**	**0.0 %**								**86.7 %**		

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)*	Category enabling activity (19)	Category transitional activity (20)
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy-non-eligible activities		**32.2**	**3.4 %**																
Total		**951.5**	**100.0 %**																

* Previous year's figures under A.1. were adjusted for activity CCM 3.6 in the amount of minus 0.4 € million OpEx. Previous year's figures under A.2. were adjusted for activity CCM 3.6 in the amount of plus 0.4 € million OpEx.

1 Taxonomy-alignment was assessed for the economic activities of the first two environmental objective only.

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.: Climate Change Mitigation: CCM – Climate Change Adaptation: CCA – Water and Marine Resources: WTR – Circular Economy: CE – Pollution Prevention and Control: PPC – Biodiversity and ecosystems: BIO. For example, the Activity "Afforestation" would have the Code: CCM 1.1. Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated. For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1./ CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template.

(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate change Mitigation (5)	Climate change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)*	Category enabling activity (19)	Category transitional activity (20)
	Proportion of OpEx/Total OpEx																		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective																	
CCM	%	%																	
CCA	%	%																	
WTR	%	%																	
CE	%	%																	
PPC	%	%																	
BIO	%	%																	

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL - Taxonomy eligible activity for the relevant objective
N/EL - Taxonomy non-eligible activity for the relevant objective

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes.

Independent auditor's report

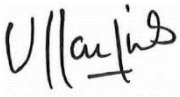
The independent auditor's report on a limited assurance engagement of the non-financial report according to Section 315b German Commercial Code (HGB), Regulation (EU) 2020/852 can be found on the KION Group website.

Frankfurt am Main, 28 February 2024

The Executive Board

Dr. Richard Robinson Smith

Christian Harm



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